

REFINITIV

# DELTA REPORT

## 10-Q

PEBO - PEOPLES BANCORP INC  
10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1765
CHANGES	643
DELETIONS	539
ADDITIONS	583

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

## FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2024** **September 30, 2024**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_ to \_\_\_\_

Commission File Number: 000-16772



PEO-LOGO-BANCORP-HORIZ-RGB\_SOLID.jpg

### PEOPLES BANCORP INC.

(Exact name of Registrant as specified in its charter)

Ohio

31-0987416

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

138 Putnam Street, P.O. Box 738,

Marietta, Ohio

45750

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(740) 373-3155

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, without par value	PEBO	The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

#### APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: **35,508,377** **35,538,229** common shares, without par value, at **July 31, 2024** **October 31, 2024**.

[Table of Contents](#)

## Table of Contents

<a href="#">PART I – FINANCIAL INFORMATION</a>	<a href="#">3</a>
<a href="#">ITEM 1. FINANCIAL STATEMENTS</a>	<a href="#">3</a>
<a href="#">CONSOLIDATED BALANCE SHEETS (Unaudited)</a>	<a href="#">3</a>
<a href="#">CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)</a>	<a href="#">4</a>
<a href="#">CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)</a>	<a href="#">5</a>
<a href="#">CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)</a>	<a href="#">6</a>
<a href="#">CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)</a>	<a href="#">8</a>
<a href="#">NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</a>	<a href="#">9</a>
<a href="#">ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>	<a href="#">43 44</a>
<a href="#">EXECUTIVE SUMMARY</a>	<a href="#">46 47</a>
<a href="#">RESULTS OF OPERATIONS</a>	<a href="#">50 51</a>
<a href="#">FINANCIAL CONDITION</a>	<a href="#">64 66</a>
<a href="#">ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</a>	<a href="#">75 78</a>
<a href="#">ITEM 4. CONTROLS AND PROCEDURES</a>	<a href="#">75 78</a>
<a href="#">PART II – OTHER INFORMATION</a>	<a href="#">76 79</a>
<a href="#">ITEM 1. LEGAL PROCEEDINGS</a>	<a href="#">76 79</a>
<a href="#">ITEM 1A. RISK FACTORS</a>	<a href="#">76 79</a>
<a href="#">ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</a>	<a href="#">76 79</a>
<a href="#">ITEM 3. DEFAULTS UPON SENIOR SECURITIES</a>	<a href="#">76 79</a>
<a href="#">ITEM 4. MINE SAFETY DISCLOSURES</a>	<a href="#">77 80</a>
<a href="#">ITEM 5. OTHER INFORMATION</a>	<a href="#">77 80</a>
<a href="#">ITEM 6. EXHIBITS</a>	<a href="#">78 81</a>
<a href="#">SIGNATURES</a>	<a href="#">80 83</a>

[Table of Contents](#)

## PART I - FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

#### PEOPLES BANCORP INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	June December		September December	
	30,	31,	30,	31,
	2024	2023	2024	2023
(Dollars in thousands)				
(Dollars in thousands)				
(Dollars in thousands)				
<b>Assets</b>				
<b>Assets</b>				
<b>Assets</b>				
Cash and cash equivalents:				
Cash and balances due from banks				
Cash and balances due from banks				
Cash and balances due from banks				
Interest-bearing deposits in other banks				
<b>Total cash and cash equivalents</b>				

Available-for-sale investment securities, at fair value (amortized cost of \$1,266,060 at June 30, 2024 and \$1,184,288 at December 31, 2023) (a)		
Held-to-maturity investment securities, at amortized cost (fair value of \$622,593 at June 30, 2024 and \$612,022 at December 31, 2023) (a)		
Available-for-sale investment securities, at fair value (amortized cost of \$1,189,792 at September 30, 2024 and \$1,184,288 at December 31, 2023) (a)		
Held-to-maturity investment securities, at amortized cost (fair value of \$636,529 at September 30, 2024 and \$612,022 at December 31, 2023) (a)		
Other investment securities		
Total investment securities (a)		
Loans and leases, net of deferred fees and costs (b)		
Allowance for credit losses		
Net loans and leases (c)		
Loans held for sale		
Bank premises and equipment, net of accumulated depreciation		
Bank owned life insurance		
Goodwill		
Other intangible assets		
Other assets		
Total assets		
Liabilities	Liabilities	Liabilities
Deposits:		
Non-interest-bearing		
Non-interest-bearing		
Non-interest-bearing		
Interest-bearing		
Total deposits		
Short-term borrowings		
Long-term borrowings		
Accrued expenses and other liabilities		
Accrued expenses and other liabilities		
Accrued expenses and other liabilities		
Total liabilities		
Stockholders' equity	Stockholders' equity	Stockholders' equity
Preferred shares, no par value, 50,000 shares authorized, no shares issued at June 30, 2024 or at December 31, 2023		
Common shares, no par value, 50,000,000 shares authorized, 36,760,516 shares issued at June 30, 2024 and 36,736,041 shares issued at December 31, 2023, including at each date shares held in treasury		
Preferred shares, no par value, 50,000 shares authorized, no shares issued at September 30, 2024 or at December 31, 2023		
Common shares, no par value, 50,000,000 shares authorized, 36,772,459 shares issued at September 30, 2024 and 36,736,041 shares issued at December 31, 2023, including at each date shares held in treasury		
Retained earnings		
Accumulated other comprehensive loss, net of deferred income taxes		
Treasury stock, at cost, 1,347,476 shares at June 30, 2024 and 1,511,348 shares at December 31, 2023		
Treasury stock, at cost, 1,323,075 shares at September 30, 2024 and 1,511,348 shares at December 31, 2023		
Total stockholders' equity		
Total liabilities and stockholders' equity		

- (a) Available-for-sale investment securities and held-to-maturity investment securities are presented net of allowance for credit losses of \$0 and \$238, \$236, respectively, at June 30, 2024 September 30, 2024, and \$0 and \$238, respectively, at December 31, 2023.
- (b) Also referred to throughout this Quarterly Report on Form 10-Q as "total loans" and "loans held for investment."
- (c) Also referred to throughout this Quarterly Report on Form 10-Q as "net loans."

See Notes to the Unaudited Condensed Consolidated Financial Statements

[Table of Contents](#)

**PEOPLES BANCORP INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)**

	Three Months Ended	Three Months Ended		Six Months Ended	Three Months Ended	Nine Months Ended
		June 30,			September 30,	
(Dollars in thousands, except per share data)	(Dollars in thousands, except per share data)	2024	2023	(Dollars in thousands, except per share data)	2024	2023
<b>Interest income:</b>						
Interest and fees on loans and leases						
Interest and fees on loans and leases						
Interest and fees on loans and leases						
Interest and dividends on taxable investment securities						
Interest on tax-exempt investment securities						
Other interest income						
Total interest income						
<b>Interest expense:</b>						
Interest on deposits						
Interest on deposits						
Interest on deposits						
Interest on short-term borrowings						
Interest on long-term borrowings						
Total interest expense						
Total interest expense						
Total interest expense						
Net interest income						
Provision for credit losses						
Net interest income after provision for credit losses						
<b>Non-interest income:</b>						
<b>Non-interest income:</b>						
<b>Non-interest income:</b>						
Electronic banking income						
Electronic banking income						
Electronic banking income						
Trust and investment income						
Deposit account service charges						
Insurance income						
Lease income						
Bank owned life insurance income						
Mortgage banking income						
Net loss on investment securities						
Net loss on asset disposals and other transactions						
Other non-interest income						
Total non-interest income						

<b>Non-interest expense:</b>
Salaries and employee benefit costs
Salaries and employee benefit costs
Salaries and employee benefit costs
Data processing and software expense
Net occupancy and equipment expense
Professional fees
Amortization of other intangible assets
Electronic banking expense
Federal Deposit Insurance Corporation ("FDIC") insurance expense
Other loan expenses
Franchise tax expense
Communication expense
Marketing expense
Other non-interest expense
Total non-interest expense
Income before income taxes
Income tax expense
<b>Net income</b>
Earnings per common share - basic
Earnings per common share - basic
Earnings per common share - basic
Earnings per common share - diluted
Weighted-average number of common shares outstanding - basic
Weighted-average number of common shares outstanding - diluted
Cash dividends declared
Cash dividends declared per common share

See Notes to the Unaudited Condensed Consolidated Financial Statements

<a href="#">Table of Contents</a>									
<b>PEOPLES BANCORP INC. AND SUBSIDIARIES</b> <b>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)</b>									
	Three Months Ended		Three Months Ended		Six Months Ended	Three Months Ended	Nine Months Ended		
			June 30,			September 30,			
(Dollars in thousands)	(Dollars in thousands)	2024	2023	2024	2023	(Dollars in thousands)	2024	2023	2023
Net income									
Other comprehensive (loss) income:									
Available-for-sale investment securities:									
Available-for-sale investment securities:									
Available-for-sale investment securities:									
Gross unrealized holding (loss) gain arising during the period									
Gross unrealized holding (loss) gain arising during the period									

Gross unrealized holding (loss) gain arising during the period	
Related tax benefit (expense)	
Gross unrealized holding gain (loss) arising during the period	
Gross unrealized holding gain (loss) arising during the period	
Gross unrealized holding gain (loss) arising during the period	
Related tax (expense) benefit	
Reclassification adjustment for net loss included in net income	
Related tax expense	
Related tax (expense) benefit	
Net effect on other comprehensive (loss) income	
Net effect on other comprehensive income (loss)	
Net effect on other comprehensive (loss) income	
Net effect on other comprehensive income (loss)	
Net effect on other comprehensive (loss) income	
Net effect on other comprehensive income (loss)	
<u>Defined benefit plan:</u>	
Net (loss) gain arising during the period	
Net (loss) gain arising during the period	
Net (loss) gain arising during the period	
Related tax benefit	
Amortization of unrecognized loss and service cost on benefit plans	
Amortization of unrecognized loss and service cost on benefit plans	
Amortization of unrecognized loss and service cost on benefit plans	
Related tax benefit	
Net effect on other comprehensive (loss) income	
Net effect on other comprehensive (loss) income	
Net effect on other comprehensive (loss) income	
Related tax benefit (expense)	
Reclassification from accumulated other comprehensive income ("AOCI")	
Related tax benefit (expense)	
Net effect on other comprehensive income	
<u>Cash flow hedges:</u>	
Net (loss) gain arising during the period	
Net (loss) gain arising during the period	
Net (loss) gain arising during the period	
Related tax benefit (expense)	
Net effect on other comprehensive (loss) income	
Total other comprehensive (loss) income, net of tax	
Total other comprehensive income (loss), net of tax	
<b>Total comprehensive income</b>	

See Notes to the Unaudited Condensed Consolidated Financial Statements

		Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Stockholders' Equity	Total Stockholders' Equity	Common Shares	Retained Earnings	Treasury Stock
(Dollars in thousands)	Common Shares		Common Shares								
Balance, March 31, 2024											
Balance, March 31, 2024											
Balance, March 31, 2024											
Balance, June 30, 2024											
Balance, June 30, 2024											
Balance, June 30, 2024											
Net income											
Net income											
Net income											
Other comprehensive loss, net of tax											
Cash dividends declared											
Cash dividends declared											
Cash dividends declared											
Reissuance of treasury stock for common share awards											
Reissuance of treasury stock for common share awards											
Reissuance of treasury stock for common share awards											
Reissuance of treasury stock for deferred compensation plan for Boards of Directors											
Reissuance of treasury stock for deferred compensation plan for Boards of Directors											
Reissuance of treasury stock for deferred compensation plan for Boards of Directors											
Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors											
Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors											
Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors											
Common shares issued under dividend reinvestment plan											
Common shares issued under dividend reinvestment plan											
Common shares issued under dividend reinvestment plan											
Common shares issued under compensation plan for Boards of Directors											
Common shares issued under employee stock purchase plan											
Common shares issued under employee stock purchase plan											
Common shares issued under employee stock purchase plan											



Stock-based compensation
Balance, June 30, 2024
Balance, September 30, 2024
Balance, June 30, 2024
Balance, September 30, 2024
Balance, June 30, 2024
Balance, September 30, 2024

	Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Stockholders' Equity	Total Stockholders' Equity	Common Shares	Retained Earnings	Treasury Stock
(Dollars in thousands)										
Balance, December 31, 2023										
Balance, December 31, 2023										
Balance, December 31, 2023										
Net income										
Net income										
Net income										
Other comprehensive loss, net of tax										
Cash dividends declared										
Cash dividends declared										
Cash dividends declared										
Reissuance of treasury stock for common share awards										
Reissuance of treasury stock for common share awards										
Reissuance of treasury stock for common share awards										
Reissuance of treasury stock for deferred compensation plan for Boards of Directors										
Reissuance of treasury stock for deferred compensation plan for Boards of Directors										
Reissuance of treasury stock for deferred compensation plan for Boards of Directors										
Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors										
Common shares repurchased under share repurchase program										
Common shares issued under dividend reinvestment plan										
Common shares issued under compensation plan for Boards of Directors										
Common shares issued under employee stock purchase plan										
Common shares issued under employee stock purchase plan										
Common shares issued under employee stock purchase plan										
Stock-based compensation										
Balance, June 30, 2024										

Balance, September 30, 2024
Balance, June 30, 2024
Balance, September 30, 2024
Balance, June 30, 2024
Balance, September 30, 2024

[Table of Contents](#)

	Common Shares	Accumulated Other Comprehensive Loss  Common Shares	Accumulated Other Comprehensive Loss  Common Shares	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Stockholders' Equity	Total Stockholders' Equity	Common Shares	Retained Earnings	Treasury Stock
(Dollars in thousands)											
Balance, March 31, 2023											
Balance, March 31, 2023											
Balance, March 31, 2023											
Balance, June 30, 2023											
Balance, June 30, 2023											
Balance, June 30, 2023											
Net income											
Net income											
Net income											
Other comprehensive loss, net of tax											
Other comprehensive loss, excluding pension termination settlement, net of tax											
Cash dividends declared											
Pension termination settlement, net of tax											
Cash dividends declared											
Pension termination settlement, net of tax											
Pension termination settlement, net of tax											
Cash dividends declared											
Reissuance of treasury stock for common share awards											
Reissuance of treasury stock for common share awards											
Reissuance of treasury stock for common share awards											
Reissuance of treasury stock for deferred compensation plan for Boards of Directors											
Reissuance of treasury stock for deferred compensation plan for Boards of Directors											
Reissuance of treasury stock for deferred compensation plan for Boards of Directors											
Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors											
Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors											

Repurchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors

Common shares issued under dividend reinvestment plan

Common shares issued under dividend reinvestment plan

Common shares issued under dividend reinvestment plan

Common shares issued under compensation plan for Boards of Directors

Common shares issued under employee stock purchase plan

Common shares issued under employee stock purchase plan

Common shares issued under employee stock purchase plan

Stock-based compensation

Issuance of common shares related to merger with Limestone Bancorp, Inc.

Issuance of common shares related to merger with Limestone Bancorp, Inc.

Issuance of common shares related to merger with Limestone Bancorp, Inc.

Balance, June 30, 2023

Balance, June 30, 2023

Balance, June 30, 2023

Balance, September 30, 2023

Balance, September 30, 2023

Balance, September 30, 2023

	Common Shares	Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Equity	Total Equity	Common Shares	Retained Earnings	Treasury Stock
(Dollars in thousands)											
Balance, December 31, 2022											
Balance, December 31, 2022											
Balance, December 31, 2022											
Net income											
Net income											
Net income											
Other comprehensive income, net of tax											
Other comprehensive income, excluding pension settlement, net of tax											
Pension settlement, net of tax											
Cash dividends declared											
Cash dividends declared											
Cash dividends declared											
Reissuance of treasury stock for common share awards											
Reissuance of treasury stock for common share awards											

Issuance of common shares related to merger  
with Limestone Bancorp, Inc.

Balance, September 30, 2023

7

REFINITIV 

---

**Investing activities:**

Available-for-sale investment securities:

Available-for-sale investment securities:

Available-for-sale investment securities:

Purchases

Purchases

Purchases

Proceeds from sales

Proceeds from principal payments, calls and prepayments

Held-to-maturity investment securities:

Purchases

Purchases

Purchases

Proceeds from principal payments

Other investment securities:

Purchases

Purchases

Purchases

Proceeds from sales

Net increase in loans held for investment

Net increase in loans held for investment

Net increase in loans held for investment

Net expenditures for premises and equipment

Proceeds from sales of other real estate owned

Business acquisitions, net of cash received

Proceeds from bank owned life insurance contracts

Proceeds from bank owned life insurance contracts

Proceeds from bank owned life insurance contracts

Investment in limited partnership and tax credit funds

Investment in limited partnership and tax credit funds

Investment in limited partnership and tax credit funds

Net cash used in investing activities

**Financing activities:****Financing  
activities:****Financing  
activities:**

Net decrease in non-interest-bearing deposits

Net increase in interest-bearing deposits

Net (decrease) increase in short-term borrowings

Proceeds from long-term borrowings

Payments on long-term borrowings

Cash dividends paid

Cash dividends paid

Cash dividends paid

Purchase of treasury stock under share repurchase program

Purchase of treasury stock in connection with employee incentive program and compensation plan for Boards of Directors to be held as treasury stock

Proceeds from issuance of common shares

Net cash provided by (used in) financing activities

Net cash (used in) provided by financing activities

Net cash provided by (used in) financing activities

Net cash (used in) provided by financing activities

Net cash provided by (used in) financing activities

Net decrease in cash and cash equivalents
Net cash (used in) provided by financing activities
Net (decrease) increase in cash and cash equivalents
Cash and cash equivalents at beginning of period
<b>Cash and cash equivalents at end of period</b>
Supplemental cash flow information:
Supplemental cash flow information:
Supplemental cash flow information:
Interest paid
Interest paid
Interest paid
Income taxes paid
Supplemental noncash disclosures:
Transfers from total loans to other real estate owned
Transfers from total loans to other real estate owned
Transfers from total loans to other real estate owned
Noncash recognition of new leases

See Notes to the Unaudited Condensed Consolidated Financial Statements

[Table of Contents](#)

## PEOPLES BANCORP INC. AND SUBSIDIARIES

### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

#### Note 1 Summary of Significant Accounting Policies

**Basis of Presentation:** The accompanying Unaudited Condensed Consolidated Financial Statements of Peoples Bancorp Inc. and its subsidiaries ("Peoples" refers to Peoples Bancorp Inc. and its consolidated subsidiaries collectively, except where the context indicates the reference relates solely to Peoples Bancorp Inc.) have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP") for interim financial information and the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, these financial statements do not contain all of the information and footnotes required by US GAAP for annual financial statements and should be read in conjunction with Peoples' Annual Report on Form 10-K for the fiscal year ended December 31, 2023 ("Peoples' 2023 Form 10-K").

The accounting and reporting policies followed in the presentation of the accompanying Unaudited Condensed Consolidated Financial Statements are consistent with those described in "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K, as updated by the information contained in this Quarterly Report on Form 10-Q for the quarterly period ended **June 30, 2024** **September 30, 2024** (this "Form 10-Q"). Management has evaluated all significant events and transactions that occurred after **June 30, 2024** **September 30, 2024** for potential recognition or disclosure in these Unaudited Condensed Consolidated Financial Statements. In the opinion of management, these Unaudited Condensed Consolidated Financial Statements reflect all adjustments necessary to present fairly such information for the periods and at the dates indicated. Such adjustments are normal and recurring in nature. Intercompany accounts and transactions have been eliminated. The Consolidated Balance Sheet at December 31, 2023, contained herein, has been derived from the audited Consolidated Balance Sheet included in Peoples' 2023 Form 10-K.

The preparation of the condensed consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Results of operations for interim periods are not necessarily indicative of the results to be expected for the full year, due in part to seasonal variations and unusual or infrequently occurring items.

**New Accounting Pronouncements:** From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board ("FASB") or other standard setting bodies that are adopted by Peoples as of the required effective dates. Refer to "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K. Unless otherwise discussed, management believes the impact of any recently issued standards, including those issued but not yet effective, will not have a material impact on Peoples' financial statements taken as a whole.

#### Note 2 Fair Value of Assets and Liabilities

Fair value represents the amount expected to be received to sell an asset or paid to transfer a liability in its principal or most advantageous market in an orderly transaction between market participants at the measurement date. In accordance with fair value accounting guidance, Peoples measures, records and reports various types of assets and liabilities at fair value on either a recurring or a non-recurring basis in the Unaudited Condensed Consolidated Financial Statements. Those assets and liabilities are presented below in the sections entitled "Assets and Liabilities Required to be Measured and Reported at Fair Value on a Recurring Basis" and "Assets and Liabilities Required to be Measured and Reported at Fair Value on a Non-Recurring Basis."

Depending on the nature of the asset or the liability, Peoples uses various valuation methodologies and assumptions to estimate fair value. The measurement of fair value under US GAAP uses a hierarchy, which is described in "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K.

Assets and liabilities are assigned to a level within the fair value hierarchy based on the lowest level of significant input used to measure fair value. Assets and liabilities may change levels within the fair value hierarchy due to market conditions or other circumstances. Those transfers are recognized on the date of the event that prompted the transfer. There were no transfers of assets or liabilities required to be measured at fair value on a recurring basis between levels of the fair value hierarchy during the periods presented.

[Table of Contents](#)

Assets and Liabilities Required to be Measured and Reported at Fair Value on a Recurring Basis

The following table provides the fair value for assets and liabilities required to be measured and reported at fair value on a recurring basis on the Unaudited Consolidated Balance Sheets by level in the fair value hierarchy.

	Recurring Fair Value Measurements at Reporting Date	Recurring Fair Value Measurements at Reporting Date
	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
(Dollars in thousands)		
Assets:		
Assets:		
Assets:		
Available-for-sale investment securities:		
Available-for-sale investment securities:		
Available-for-sale investment securities:		
Obligations of:		
Obligations of:		
Obligations of:		
U.S. Treasury and government agencies		
U.S. Treasury and government agencies		
U.S. Treasury and government agencies		
U.S. government sponsored agencies		
U.S. government sponsored agencies		
U.S. government sponsored agencies		
States and political subdivisions		
States and political subdivisions		
States and political subdivisions		
Residential mortgage-backed securities		
Residential mortgage-backed securities		
Residential mortgage-backed securities		
Commercial mortgage-backed securities		
Commercial mortgage-backed securities		
Commercial mortgage-backed securities		
Bank-issued trust preferred securities		
Bank-issued trust preferred securities		
Bank-issued trust preferred securities		
Total available-for-sale securities		
Total available-for-sale securities		
Total available-for-sale securities		
Equity investment securities (a)		
Equity investment securities (a)		
Equity investment securities (a)		
Derivative assets (b)		

Derivative assets (b)

Derivative assets (b)

Liabilities:

Liabilities:

Liabilities:

Derivative liabilities (c)

Derivative liabilities (c)

Derivative liabilities (c)

(a) Included in "Other investment securities" on the Unaudited Consolidated Balance Sheets. For additional information, see "Note 3 Investment Securities" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

(b) Included in "Other assets" on the Unaudited Consolidated Balance Sheets. For additional information, see "Note 10 Derivative Financial Instruments" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

(c) Included in "Accrued expenses and other liabilities" on the Unaudited Consolidated Balance Sheets. For additional information, see "Note 10 Derivative Financial Instruments" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

**Available-for-Sale Investment Securities:** The fair values used by Peoples are obtained from an independent pricing service and represent either quoted market prices for the identical securities (Level 1) or fair values determined by pricing models using a market approach that considers observable market data, such as interest rate volatility, secured overnight funding rate ("SOFR") (or other relevant) yield curves, credit spreads and prices from market makers and live trading systems (Level 2). Management reviews the valuation methodology and quality controls utilized by the pricing services or broker in management's overall assessment of the reasonableness of the fair values provided, and challenges prices when management believes a material discrepancy in pricing exists.

**Equity Investment Securities:** The fair values of Peoples' equity investment securities are obtained from quoted prices in active exchange markets for identical assets or liabilities (Level 1) or quoted prices in less active markets (Level 2).

**Derivative Assets and Derivative Liabilities:** Derivative assets and derivative liabilities are recognized on the Unaudited Consolidated Balance Sheets at their fair value within "Other assets" and "Accrued expenses and other liabilities", respectively. The fair value for derivative financial instruments is determined based on market prices, broker-dealer quotations on similar products, or other related input parameters (Level 2).

10

[Table of Contents](#)

#### Assets and Liabilities Required to be Measured and Reported at Fair Value on a Non-Recurring Basis

The following table provides the fair value for each class of assets and liabilities required to be measured and reported at fair value on a non-recurring basis on the Unaudited Consolidated Balance Sheets by level in the fair value hierarchy at **June 30, 2024**, **September 30, 2024** and December 31, 2023.

Non-Recurring Fair Value Measurements at Reporting Date					Non-Recurring Fair Value Measurements at Reporting Date				
Date					Date				
June 30, 2024					December 31, 2023				
September 30, 2024					December 31, 2023				
(Dollars in thousands)	(Dollars in thousands)	Level 2	Level 3		Level 2	Level 3	(Dollars in thousands)	Level 2	Level 3
Assets:									
Assets:									
Assets:									
Collateral dependent loans									
Collateral dependent loans									
Collateral dependent loans									
Loans held for sale (a)									
Other real estate owned									

(a) Loans held for sale are presented gross of a valuation allowance of **\$149 \$74** and \$163 at **June 30, 2024**, **September 30, 2024** and at December 31, 2023, respectively.

**Collateral Dependent Loans:** Loans for which repayment is dependent upon the operation or sale of collateral, as the borrower is experiencing financial difficulty, are considered collateral dependent. Peoples utilizes outside third-party appraisal services to value the underlying collateral, which Peoples then uses to report the loans at their fair



value (Level 3).

**Loans Held for Sale:** Loans originated and intended to be sold in the secondary market, generally one-to-four family residential loans, are carried, in aggregate, at the lower of cost or estimated fair value. Peoples uses a valuation model using quoted market prices of similar instruments in arriving at the fair value (Level 2).

**Other Real Estate Owned ("OREO"):** OREO, included in "Other assets" on the Unaudited Consolidated Balance Sheets, is comprised primarily of commercial and residential real estate properties acquired by Peoples in satisfaction of a loan. OREO obtained in satisfaction of a loan is recorded at the lower of cost or estimated fair value, less estimated costs to sell the property. The carrying value of OREO is not re-measured to fair value on a recurring basis, but is based on recent real estate appraisals and is updated at least annually. These appraisals may utilize a single valuation approach or a combination of approaches, including the comparable sales approach and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available (Level 3).

[Table of Contents](#)

Financial Instruments Not Required to be Measured or Reported at Fair Value

The following table provides the carrying amount for each class of assets and liabilities and the fair value for certain financial instruments that are not required to be measured or reported at fair value on the Unaudited Consolidated Balance Sheets.

Fair Value Measurements of Other Financial Instruments												
Instruments						Fair Value Measurements of Other Financial Instruments						
(Dollars in thousands)	(Dollars in thousands)	Fair Value Hierarchy Level	June 30, 2024		December 31, 2023		(Dollars in thousands)	Fair Value Hierarchy Level	September 30, 2024		December 31, 2023	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value			Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:												
Assets:												
Assets:												
Cash and cash equivalents												
Cash and cash equivalents												
Cash and cash equivalents												
Held-to-maturity investment securities:												
Held-to-maturity investment securities:												
Held-to-maturity investment securities:												
Obligations of:												
Obligations of:												
Obligations of:												
U.S. government sponsored agencies												
U.S. government sponsored agencies												
U.S. government sponsored agencies												
States and political subdivisions (a)												
Residential mortgage-backed securities												
Commercial mortgage-backed securities												
Total held-to-maturity securities												
Total held-to-maturity securities												
Total held-to-maturity securities												
Other investment securities:												
Other investment securities:												
Other investment securities:												
Other investment securities at cost:												
Other investment securities at cost:												

Other investment securities at cost:

Federal Home Loan Bank ("FHLB")  
stock

Federal Home Loan Bank ("FHLB")  
stock

Federal Home Loan Bank ("FHLB")  
stock

Federal Reserve Bank  
("FRB") stock

Total other investment securities at  
cost

Total other investment securities at  
cost

Total other investment securities at  
cost

Other investment  
securities at fair value:

Nonqualified deferred compensation (b)

Nonqualified deferred compensation (b)

Nonqualified deferred compensation (b)

Other investment  
securities (c)

Total other investment  
securities

Loans and leases, net of deferred fees  
and costs (d)

Loans and leases, net of deferred fees  
and costs (d)

Loans and leases, net of deferred fees  
and costs (d)

Bank owned life insurance

Liabilities:

Deposits

Deposits

Deposits

Short-term borrowings

Long-term borrowings

(a) Obligations of states and political subdivisions are presented gross of an allowance for credit losses of \$236 and \$238 at both June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

(b) Nonqualified investments in the nonqualified deferred compensation includes plan consist of mutual funds as part of the investment funds.

(c) "Other investment securities", as reported on the Unaudited Consolidated Balance Sheets, also included equity investment securities at June 30, 2024 September 30, 2024 and at December 31, 2023, which are reported in the Assets and Liabilities Required to be Measured and Reported at Fair Value on a Recurring Basis table above and not included in this table.

(d) Loans and leases, net of deferred fees and costs, are presented gross of an allowance for credit losses of \$66.2 \$66.6 million and \$62.0 million at June 30, 2024 September 30, 2024 and at December 31, 2023, respectively.

For certain financial assets and liabilities, carrying value approximates fair value due to the nature of the financial instrument. These financial instruments include cash and cash equivalents and overnight borrowings. Peoples used the following methods and assumptions in estimating the fair value of the following financial instruments:

**Cash and Cash Equivalents:** Cash and cash equivalents include cash on hand, balances due from other banks, interest-bearing deposits in other banks, federal funds sold and other short-term investments with original maturities of ninety days or less. The carrying amount for cash and cash equivalents balances are a reasonable estimate of fair value (Level 1).

**Held-to-Maturity Investment Securities:** The fair values used by Peoples are obtained from an independent pricing service and represent fair values determined by pricing models using a market approach that considers observable market data, such as interest rate volatility, relevant yield curves, credit spreads and prices from market makers and live trading systems (Level 2). When observable market data is absent, the independent pricing service estimates prices based on underlying cash flow characteristics and discount rates and compares them to similar securities (Level 3). Management reviews the valuation methodology and quality controls utilized by the pricing services in management's overall assessment

of the reasonableness of the fair values provided, and challenges prices when management believes a material discrepancy in pricing exists.

**Other Investment Securities:** Other investment securities at cost are not recorded at fair value as they are not marketable securities. Other investment securities at fair value are valued using quoted prices in an active market (Level 1) or quoted prices in less active markets (Level 2). **FHLB and FRB stock are both recorded at cost.**

**Loans and Leases, Net of Deferred Fees and Costs:** The fair value of portfolio loans and leases assumes sale of the underlying notes to a third-party financial investor. Accordingly, this value is not necessarily the value to Peoples if the notes were held to maturity. Peoples considers interest rate, credit and market factors in estimating the fair value of loans and leases (Level 3). Fair values for loans and leases are estimated using a discounted cash flow methodology. The discount rates take into account interest rates currently being offered to customers for loans and leases with similar terms, the credit risk associated with the loans and leases and other market factors, including liquidity.

**Bank Owned Life Insurance:** Peoples' bank owned life insurance policies are recorded at their cash surrender value (Level 2). Peoples recognizes tax-exempt income from the periodic increases in the cash surrender value of these policies and from death benefits.

**Deposits:** The fair value of fixed-maturity certificates of deposit ("CDs") is estimated using a discounted cash flow calculation based on current rates offered for deposits of similar remaining maturities. Demand and other non-fixed-maturity deposits are estimated using a discounted cash flow calculation based on maturity, attrition and re-pricing assumptions (Level 2).

**Short-term Borrowings:** The fair value of short-term borrowings is estimated using a discounted cash flow analysis based on rates currently available to Peoples for borrowings with similar terms (Level 2).

**Long-term Borrowings:** The fair value of long-term borrowings is estimated using a discounted cash flow analysis based on rates currently available to Peoples for borrowings with similar terms (Level 2).

Certain financial assets and financial liabilities that are not required to be measured or reported at fair value can be subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). These financial assets and financial liabilities include the following: customer relationships, the deposit base, and other information required to compute Peoples' aggregate fair value, which are not included in the above information. Accordingly, the fair values described above are not intended to represent the aggregate fair value of Peoples.

### Note 3 Investment Securities

#### Available-for-sale

The following table summarizes Peoples' available-for-sale investment securities:

	(Dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	(Dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>June 30, 2024</b>										
<b>September 30, 2024</b>										
Obligations of:	Obligations of:					Obligations of:				
U.S. Treasury and government agencies										
U.S. government sponsored agencies										
States and political subdivisions										
Residential mortgage-backed securities										
Commercial mortgage-backed securities										
Bank-issued trust preferred securities										
<b>Total available-for-sale securities</b>										
<b>Total available-for-sale securities</b>										

Total available-for-sale securities		
<b>December 31, 2023</b>	<b>December 31, 2023</b>	<b>December 31, 2023</b>
Obligations of:	Obligations of:	Obligations of:
U.S. Treasury and government agencies		
U.S. government sponsored agencies		
States and political subdivisions		
Residential mortgage-backed securities		
Commercial mortgage-backed securities		
Bank-issued trust preferred securities		
<b>Total available-for-sale securities</b>		
<b>Total available-for-sale securities</b>		
<b>Total available-for-sale securities</b>		

The gross gains and losses realized by Peoples from sales or prepayments of available-for-sale securities for the periods ended June September 30 were as follows:

	Three Months Ended			Three Months Ended	Six Months Ended			Three Months Ended	Nine Months Ended		
				June 30,				September 30,			
(Dollars in thousands)	(Dollars in thousands)	2024	2023	2024	(Dollars in thousands)	2024	2023	2024	2023		
Gross gains realized											
Gross losses realized											
<b>Net (loss) gain realized</b>											

The cost of investment securities sold, and any resulting gain or loss, were based on the specific identification method and recognized as of the trade date.

[Table of Contents](#)

The following table presents a summary of available-for-sale investment securities that have been in a continuous unrealized loss position for the periods identified:

	Less than 12 Months			12 Months or More			Total		Less than 12 Months			12 Months or More			Total			
(Dollars in thousands)	(Dollars in thousands)	Fair Value	Unrealized Loss	No. of Securities	Fair Value	Unrealized Loss	No. of Securities	Fair Value	Unrealized Loss	(Dollars in thousands)	Fair Value	Unrealized Loss	No. of Securities	Fair Value	Unrealized Loss	No. of Securities	Fair Value	Unrealized Loss
June 30, 2024																		
September 30, 2024																		
Obligations of:																		
U.S. Treasury and government agencies																		
U.S. Treasury and government agencies																		
U.S. Treasury and government agencies																		
U.S. government sponsored agencies																		

States and  
political  
subdivisions

Residential  
mortgage-  
backed  
securities

Commercial  
mortgage-  
backed  
securities

Bank-issued  
trust  
preferred  
securities

Total
Total
Total

December 31, 2023	December 31, 2023			December 31, 2023		
-------------------	-------------------	--	--	-------------------	--	--

Obligations of:

U.S. Treasury and  
government agencies

U.S. Treasury and  
government agencies

U.S. Treasury and  
government agencies

U.S.  
government  
sponsored  
agencies

States and  
political  
subdivisions

Residential  
mortgage-  
backed  
securities

Commercial  
mortgage-  
backed  
securities

Bank-issued  
trust  
preferred  
securities

Total
Total
Total

Management evaluates available-for-sale investment securities for an allowance for credit losses on a quarterly basis. At [June 30, 2024](#) [September 30, 2024](#), management concluded that no individual securities at an unrealized loss position required an allowance for credit losses. At [June 30, 2024](#) [September 30, 2024](#), Peoples did not have the intent to sell, nor was it more likely than not that Peoples would be required to sell, any of the securities with an unrealized loss prior to recovery. Further, the unrealized losses at both [June 30, 2024](#) [September 30, 2024](#) and December 31, 2023 were attributable to changes in market interest rates and spreads since the securities were purchased, and were not credit-related losses.

The unrealized loss with respect to the two bank-issued trust preferred securities that had been in an unrealized loss position for twelve months or more at [June 30, 2024](#) [September 30, 2024](#) was attributable to the subordinated nature of the trust preferred securities.

The table below presents the amortized cost, fair value and total weighted-average yield of available-for-sale securities by contractual maturity at [June 30, 2024](#) [September 30, 2024](#). The weighted-average yields are based on the amortized cost. In some cases, the issuers may have the right to call or prepay obligations without call or prepayment penalties

prior to the contractual maturity date.

(Dollars in thousands)		(Dollars in thousands)					(Dollars in thousands)	
		Within 1 Year	1 to 5 Years	5 to 10 Years	Over 10 Years	Total		Within 1
<b>Amortized cost</b>	<b>Amortized cost</b>						<b>Amortized cost</b>	
Obligations of:	Obligations of:						Obligations of:	
U.S. Treasury and government agencies	U.S. Treasury and government agencies	\$ 1,138	\$ 15,218		\$ 5,833		U.S. Treasury and government agencies	\$
U.S. government sponsored agencies	U.S. government sponsored agencies	—	67,076	86,208	87,776	241,060	U.S. government sponsored agencies	
States and political subdivisions	States and political subdivisions	9,756	44,335	64,855	113,568	232,514	States and political subdivisions	
Residential mortgage-backed securities	Residential mortgage-backed securities	1	3,715	55,991	637,222	696,929	Residential mortgage-backed securities	
Commercial mortgage-backed securities	Commercial mortgage-backed securities	—	12,095	26,908	20,637	59,640	Commercial mortgage-backed securities	
Bank-issued trust preferred securities	Bank-issued trust preferred securities	2,000	1,000	3,500	—	6,500	Bank-issued trust preferred securities	
<b>Total available-for-sale securities</b>								
<b>Total available-for-sale securities</b>								
<b>Total available-for-sale securities</b>		<b>\$ 12,895</b>	<b>\$ 143,439</b>	<b>\$ 244,690</b>	<b>\$ 865,036</b>	<b>\$ 1,266,060</b>	<b>\$ 8,780</b>	
<b>Fair value</b>	<b>Fair value</b>						<b>Fair value</b>	
Obligations of:	Obligations of:						Obligations of:	
U.S. Treasury and government agencies	U.S. Treasury and government agencies	\$ 1,128	\$ 14,233	\$ 7,214	\$ 5,768	\$ 28,343	U.S. Treasury and government agencies	\$
U.S. government sponsored agencies	U.S. government sponsored agencies	—	62,272	82,424	86,220	230,916	U.S. government sponsored agencies	
States and political subdivisions	States and political subdivisions	9,718	41,387	54,369	97,330	202,804	States and political subdivisions	
Residential mortgage-backed securities	Residential mortgage-backed securities	1	3,560	51,066	546,375	601,002	Residential mortgage-backed securities	

Commercial mortgage-backed securities	Commercial mortgage-backed securities	—		10,978	22,672	16,385	50,035	Commercial mortgage-backed securities
Bank-issued trust preferred securities	Bank-issued trust preferred securities	1,989	948	3,102	—		6,039	Bank-issued trust preferred securities
<b>Total available-for-sale securities</b>								
<b>Total available-for-sale securities</b>								
<b>Total available-for-sale securities</b>		\$ 12,836	\$ 133,378	\$ 220,847	\$ 752,078	\$ 1,119,139	\$ 8,748	
<b>Total weighted-average yield</b>	<b>Total weighted-average yield</b>	3.77	% 2.39	% 3.06	% 2.76	% 2.79	%	<b>Total weighted-average yield</b> 3.13

#### Held-to-maturity

The following table summarizes Peoples' held-to-maturity investment securities:

	(Dollars in thousands)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	(Dollars in thousands)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>June 30, 2024</b>												
<b>September 30, 2024</b>												
Obligations of:	Obligations of:							Obligations of:				
U.S. government sponsored agencies												
States and political subdivisions												
Residential mortgage-backed securities												
Commercial mortgage-backed securities												
<b>Total held-to-maturity investment securities</b>												
<b>December 31, 2023</b>	<b>December 31, 2023</b>							<b>December 31, 2023</b>				
Obligations of:	Obligations of:							Obligations of:				
U.S. government sponsored agencies												
States and political subdivisions												
Residential mortgage-backed securities												
Commercial mortgage-backed securities												
<b>Total held-to-maturity investment securities</b>												

There were no sales of held-to-maturity investment securities during either of the six months periods ended **June 30, 2024** **September 30, 2024** or **2023** **December 31, 2023**.

Management evaluates held-to-maturity investment securities for an allowance for credit losses on a quarterly basis. Peoples has determined that the loss given default for U.S. government sponsored agencies investment securities is zero, due to the fact that it is unlikely the ultimate guarantor (the U.S. government) would not perform on its implicit guarantee in the event of default. The remaining securities are included in the calculation of the allowance for credit losses for held-to-maturity investment securities. Peoples reported \$0.2 million of allowance for credit losses for held-to-maturity securities at both **June 30, 2024** **September 30, 2024**, and December 31, 2023.

[Table of Contents](#)

The following table presents a summary of held-to-maturity investment securities that had been in a continuous unrealized loss position for the periods identified:

[Table of Contents](#)

	Less than 12 Months			12 Months or More			Total			Less than 12 Months			12 Months or More				
(Dollars in thousands)	(Dollars in thousands)	Fair Value	Unrealized Loss	No. of Securities	Fair Value	Unrealized Loss	No. of Securities	Fair Value	Unrealized Loss	(Dollars in thousands)	Fair Value	Unrealized Loss	No. of Securities	Fair Value	Unrealized Loss	No. of Securities	Fair Value
June 30, 2024																	
September 30, 2024																	
Obligations of:																	
U.S. government sponsored agencies																	
U.S. government sponsored agencies																	
U.S. government sponsored agencies																	
States and political subdivisions																	
Residential mortgage-backed securities																	
Commercial mortgage-backed securities																	
Total																	
December 31, 2023	December 31, 2023									December 31, 2023							
Obligations of:																	
U.S. government sponsored agencies																	
U.S. government sponsored agencies																	
U.S. government sponsored agencies																	
States and political subdivisions																	
Residential mortgage-backed securities																	
Commercial mortgage-backed securities																	
Total																	



The table below presents the amortized cost, fair value and total weighted-average yield of held-to-maturity investment securities by contractual maturity at **June 30, 2024** **September 30, 2024**. The weighted-average yields are based on the amortized cost and are computed on a fully taxable-equivalent basis using a blended federal and state corporate income tax rate of 23.3% at **June 30, 2024** **September 30, 2024**. In some cases, the issuers may have the right to call or prepay obligations without call or prepayment penalties prior to the contractual maturity date.

(Dollars in thousands)	(Dollars in thousands)	Within 1 Year	1 to 5 Years	5 to 10 Years	Over 10 Years	Total	(Dollars in thousands)	Within 1 Year	1 to 5 Years	5 to 10 Years	Over 10 Years	Total
<b>Amortized cost</b>	<b>Amortized cost</b>						<b>Amortized cost</b>					
Obligations of:	Obligations of:						Obligations of:					
U.S. government sponsored agencies	U.S. government sponsored agencies	\$ 8,000	\$ 10,634	\$ 70,081	\$ 123,308	\$ 212,023	U.S. government sponsored agencies	\$ 8,000	\$ 10,625	\$ 44,182	\$ 133,835	\$ 196,642
States and political subdivisions	States and political subdivisions	—	6,424	16,631	121,079	144,134	States and political subdivisions	—	8,323	15,960	117,635	141,918
Residential mortgage-backed securities	Residential mortgage-backed securities	—	360	4,134	241,789	246,283	Residential mortgage-backed securities	—	273	4,027	252,029	256,329
Commercial mortgage-backed securities	Commercial mortgage-backed securities	1,063	11,236	36,851	50,632	99,782	Commercial mortgage-backed securities	—	12,975	34,189	51,820	98,984
<b>Total held-to-maturity investment securities</b>	<b>Total held-to-maturity investment securities</b>	<b>\$ 9,063</b>	<b>\$ 28,654</b>	<b>\$ 127,697</b>	<b>\$ 536,808</b>	<b>\$ 702,222</b>	<b>Total held-to-maturity investment securities</b>	<b>\$ 8,000</b>	<b>\$ 32,196</b>	<b>\$ 98,358</b>	<b>\$ 555,319</b>	<b>\$ 693,873</b>
<b>Fair value</b>	<b>Fair value</b>						<b>Fair value</b>					
Obligations of:	Obligations of:						Obligations of:					
U.S. government sponsored agencies	U.S. government sponsored agencies	\$ 7,950	\$ 10,171	\$ 69,459	\$ 115,557	\$ 203,137	U.S. government sponsored agencies	\$ 7,989	\$ 10,347	\$ 44,226	\$ 129,048	\$ 191,610
States and political subdivisions	States and political subdivisions	—	6,290	13,874	91,918	112,082	States and political subdivisions	—	8,144	13,782	93,748	115,674
Residential mortgage-backed securities	Residential mortgage-backed securities	—	353	3,595	220,212	224,160	Residential mortgage-backed securities	—	270	3,627	239,602	243,499
Commercial mortgage-backed securities	Commercial mortgage-backed securities	1,057	10,353	31,319	40,485	83,214	Commercial mortgage-backed securities	—	12,101	30,385	43,260	85,746
<b>Total held-to-maturity investment securities</b>	<b>Total held-to-maturity investment securities</b>	<b>\$ 9,007</b>	<b>\$ 27,167</b>	<b>\$ 118,247</b>	<b>\$ 468,172</b>	<b>\$ 622,593</b>	<b>Total held-to-maturity investment securities</b>	<b>\$ 7,989</b>	<b>\$ 30,862</b>	<b>\$ 92,020</b>	<b>\$ 505,658</b>	<b>\$ 636,529</b>
<b>Total weighted-average yield</b>	<b>Total weighted-average yield</b>	<b>3.85%</b>	<b>2.46%</b>	<b>4.00%</b>	<b>3.66%</b>	<b>3.67%</b>	<b>Total weighted-average yield</b>	<b>3.98%</b>	<b>2.94%</b>	<b>3.74%</b>	<b>3.72%</b>	<b>3.69%</b>

17

[Table of Contents](#)

#### Other Investment Securities

Peoples' other investment securities on the Unaudited Consolidated Balance Sheets consist largely of shares of FHLB stock and of FRB stock.

17

[Table of Contents](#)

The following table summarizes the carrying value of Peoples' other investment securities:

(Dollars in thousands)	(Dollars in thousands)	June 30, 2024	December 31, 2023	(Dollars in thousands)	September 30, 2024	December 31, 2023
FHLB stock						
FRB stock						

Nonqualified deferred compensation
Equity investment securities
Other investment securities
<b>Total other investment securities</b>

During the ~~six~~ **nine** months ended ~~June 30, 2024~~ **September 30, 2024**, Peoples redeemed ~~\$19.3~~ **\$26.9** million of FHLB stock in order to be in compliance with the requirements of the FHLB. Peoples purchased \$17.2 million of additional FHLB stock during the ~~six~~ **nine** months ended ~~June 30, 2024~~ **September 30, 2024**, as a result of the FHLB's capital requirements on FHLB advances.

For the three months ended ~~June 30, 2024~~ **September 30, 2024** and 2023, Peoples recorded the change in the fair value of equity investment securities held during the period in "Other non-interest income", resulting in an unrealized gain of ~~\$21,000~~ **\$12,000** and an unrealized loss of ~~\$138,000~~ **\$58,000**, respectively. For the ~~six~~ **nine** months ended ~~June 30, 2024~~ **September 30, 2024** and 2023, Peoples recognized an unrealized gain of ~~\$68,000~~ **\$81,000** and an unrealized loss of ~~\$117,000~~ **\$175,000**, respectively, for the change in fair value of equity investment securities in "Other non-interest income".

At ~~June 30, 2024~~ **September 30, 2024**, Peoples' investment in equity investment securities was comprised largely of common stocks issued by various unrelated bank holding companies. There were no equity investment securities of a single issuer that exceeded 10% of Peoples' stockholders' equity at ~~June 30, 2024~~ **September 30, 2024**.

**Pledged Securities**

Peoples has pledged available-for-sale investment securities and held-to-maturity investment securities to secure public and trust department deposits, and repurchase agreements in accordance with federal and state requirements. Peoples has also pledged available-for-sale investment securities to secure additional borrowing capacity at the FHLB and the FRB.

The following table summarizes the carrying amount of Peoples' pledged securities:

		Carrying Amount		Carrying Amount		
(Dollars in thousands)	(Dollars in thousands)	June 30, 2024	December 31, 2023	(Dollars in thousands)	September 30, 2024	December 31, 2023
<b>Securing public and trust department deposits, and repurchase agreements:</b>						
<b>Securing public and trust department deposits, and repurchase agreements:</b>						
<b>Securing public and trust department deposits, and repurchase agreements:</b>						
Available-for-sale						
Available-for-sale						
Available-for-sale						
<b>Held-to-maturity</b>						
<b>Securing additional borrowing capacity at the FHLB and the FRB:</b>						
<b>Securing additional borrowing capacity at the FHLB and the FRB:</b>						
<b>Securing additional borrowing capacity at the FHLB and the FRB:</b>						
Available-for-sale						
Available-for-sale						
Available-for-sale						
Held-to-maturity						

**Accrued Interest**

Accrued interest receivable is not included in investment securities balances, and is presented in the "Other assets" line of the Unaudited Consolidated Balance Sheets, with no recorded allowance for credit losses. Interest receivable on investment securities was ~~\$11.2~~ **\$10.2** million at ~~June 30, 2024~~ **September 30, 2024** and ~~\$8.8~~ **\$9.5** million at December 31, 2023.

**Note 4 Loans and Leases**

Peoples' loan portfolio consists of various types of loans and leases originated primarily as a result of lending opportunities within Peoples' footprint. Peoples also originates insurance premium finance loans nationwide through its Peoples Premium Finance division, and originates leases nationwide through its North Star Leasing ("NSL") division and its Vantage Financial, LLC ("Vantage") subsidiary.

The major classifications of loan balances (in each case, net of deferred fees and costs) excluding loans held for sale, were as follows:

	June 30, 2024		December 31, 2023	September 30, 2024		December 31, 2023
(Dollars in thousands)	(Dollars in thousands)			(Dollars in thousands)		
Construction						
Commercial real estate, other						
Commercial and industrial						
Premium finance						
Leases						
Residential real estate						
Home equity lines of credit						
Consumer, indirect						
Consumer, direct						
Deposit account overdrafts						
<b>Total loans, at amortized cost</b>						

Accrued interest receivable is not included within the loan balances, but is presented in the "Other assets" line of the Unaudited Consolidated Balance Sheets, with no recorded allowance for credit losses. Total interest receivable on loans was \$24.4 \$22.9 million at June 30, 2024 September 30, 2024 and \$24.5 million at December 31, 2023.

#### Nonaccrual and Past Due Loans

A loan is considered past due if any required principal and interest payments have not been received as of the date such payments were required to be made under the terms of the loan agreement. A loan may be placed on nonaccrual status regardless of whether or not such loan is considered past due.

The amortized cost of loans on nonaccrual status and of loans delinquent for 90 days or more and accruing was as follows:

	June 30, 2024		December 31, 2023			September 30, 2024		December 31, 2023		
(Dollars in thousands)	(Dollars in thousands)	Nonaccrual	Accruing Loans 90+ Days Past Due	Nonaccrual	Accruing Loans 90+ Days Past Due	(Dollars in thousands)	Nonaccrual	Accruing Loans 90+ Days Past Due	Nonaccrual	Accruing Loans 90+ Days Past Due
		(a)		(a)			(a)		(a)	
Construction										
Commercial real estate, other										
Commercial real estate, other										
Commercial real estate, other										
Commercial real estate, other										
Commercial and industrial										
Premium finance										
Leases										
Residential real estate										
Home equity lines of credit										
Consumer, indirect										
Consumer, direct										
<b>Total loans, at amortized cost</b>										

(a) There were \$1.4 million \$3.8 million of nonaccrual loans for which there was no allowance for credit losses at June 30, 2024 September 30, 2024 and \$1.2 million of nonaccrual loans for which there was no allowance for credit losses at December 31, 2023.

During the first six nine months of 2024, nonaccrual loans increased compared to at December 31, 2023, which was primarily due to one twelve large leases totaling \$3.6 million and four commercial and industrial loan real estate loans of approximately \$2.0 \$1.1 million that went on nonaccrual status during the first half of 2024. Further, eight leases and four commercial real estate loans went on nonaccrual status during the second quarter of 2024 which increased the amount reported by \$3.4 million and \$1.8 million, respectively. The increase in accruing loans 90+ days past due at June 30, 2024 September 30, 2024, when compared to at December 31, 2023, was primarily due to an increase in accruing premium finance loans leases that were 90+ days past due and accruing of \$8.8 million, which was administrative in nature, an increase in premium finance loans loans of approximately \$1.2 \$6.4 million, and an increase in accruing residential commercial real estate loans 90+ days of approximately \$3.8 million. The increase in past due premium finance loans carry low credit risk, due to the ability to cancel premiums and recover the majority of approximately \$0.3 million which was partially offset by a decrease in accruing leases and commercial and industrial loans 90+ days past due. the receivable from the insurer.

The amount of interest income recognized on accruing loans 90+ days past due during the six nine months ended June 30, 2024 September 30, 2024 was \$0.9 \$1.3 million.

The following table presents the aging of the amortized cost of past due loans:

[Table of Contents](#)

	Loans Past Due					Loans Past Due					Loans Past Due		
	(Dollars in thousands)	30 - 59 days	90 + Days	Total	(Dollars in thousands)	30 - 59 days	60 - 89 days	90 + Days	Total	(Dollars in thousands)	Current Loans	Total Loans	(Dollars in thousands)
<b>June 30, 2024</b>													
<b>September 30, 2024</b>													
Construction													
Construction													
Construction													
Commercial real estate, other													
Commercial and industrial													
Premium finance													
Leases													
Residential real estate													
Home equity lines of credit													
Consumer, indirect													
Consumer, direct													
Deposit account overdrafts													
<b>Total loans, at amortized cost</b>													
<b>December 31, 2023</b>													
Construction													
Construction													
Construction													
Commercial real estate, other													
Commercial and industrial													
Premium finance													
Leases													
Residential real estate													
Home equity lines of credit													
Consumer, indirect													
Consumer, direct													
Deposit account overdrafts													
<b>Total loans, at amortized cost</b>													

Delinquency trends improved decreased slightly, as 98.8% 98.5% of Peoples' loan portfolio was considered "current" at June 30, 2024 September 30, 2024, compared to 98.6% at December 31, 2023.

#### Pledged Loans

Peoples has pledged certain loans secured by one-to-four family and multifamily residential mortgages, home equity lines of credit and commercial real estate loans under a blanket collateral agreement to secure borrowings from the FHLB. Peoples also has pledged eligible commercial and industrial loans to secure borrowings with the FRB. Loans pledged are summarized as follows:

(Dollars in thousands)	(Dollars in thousands)	June 30, 2024	December 31, 2023	(Dollars in thousands)	September 30, 2024	December 31, 2023
------------------------	------------------------	---------------	-------------------	------------------------	--------------------	-------------------

Loans pledged to FHLB

Loans pledged to FRB

Credit Quality Indicators

As discussed in "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K, Peoples categorizes the majority of its loans into risk categories based upon an established risk grading matrix using a scale of 1 to 8. Loan grades are assigned at the time a new loan or lending commitment is extended by Peoples and may be changed at any time when circumstances warrant. Commercial loans to borrowers with an aggregate unpaid principal balance in excess of \$1.0 million are reviewed at least on an annual basis for possible credit deterioration. Commercial leases, as well as loan relationships whose aggregate credit exposure to Peoples is equal to or less than \$1.0 million, are reviewed on an event driven basis. Triggers for review include knowledge of adverse events affecting the borrower's business, receipt of financial statements indicating deteriorating credit quality or other similar events. Adversely classified loans are reviewed on a quarterly basis. A description of the general characteristics of the risk grades used by Peoples, follows:

**"Pass" (grades 1 through 4):** Loans in this risk category involve borrowers of acceptable-to-strong credit quality and risk who have the apparent ability to satisfy their loan obligations. Loans in this risk category would possess sufficient mitigating factors, such as adequate collateral or strong guarantors possessing the capacity to repay the loan if required, for any weakness that may exist.

Table of Contents

**"Special Mention" (grade 5):** Loans in this risk grade are the equivalent of the regulatory definition of "Other Assets Especially Mentioned." Loans in this risk category possess some credit deficiency or potential weakness, which requires a high level of management attention. Potential weaknesses include declining trends in operating earnings and cash flows and/or reliance on a secondary source of repayment. If left uncorrected, these potential weaknesses may result in noticeable deterioration of the repayment prospects for the loan or in Peoples' credit position.

**"Substandard" (grade 6):** Loans in this risk grade are inadequately protected by the borrower's current financial condition and payment capability or the collateral pledged, if any. Loans so classified have one or more well-defined weaknesses that jeopardize the orderly repayment of the loans. They are characterized by the distinct possibility that Peoples will sustain some loss if the weaknesses are not corrected.

**"Doubtful" (grade 7):** Loans in this risk grade have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or orderly repayment in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. Possibility of loss is extremely high, but because of certain important and reasonably specific factors that may work to the advantage and strengthening of the exposure, classification of each of these loans as an estimated loss is deferred until its more exact status may be determined.

**"Loss" (grade 8):** Loans in this risk grade are considered to be non-collectible and of such little value that their continuance as bankable assets is not warranted. This does not mean a loan has absolutely no recovery value, but rather it is neither practical nor desirable to defer writing off the loan, even though partial recovery may be obtained in the future. Charge-offs against the allowance for credit losses are taken during the period in which the loan becomes uncollectible. Consequently, Peoples typically does not maintain a recorded investment in loans within this category.

Consumer loans and other smaller-balance loans are evaluated and categorized as "substandard," "doubtful" or "loss" based upon the regulatory definition of these classes and consistent with regulatory requirements. Leases are categorized as "special mention", "substandard", or "loss" based upon delinquency status and the prospect of collecting the remaining net investment balance owed under the lease. All other loans not evaluated individually, nor meeting the regulatory conditions to be categorized as described above, would be considered as being "not rated."

The following table summarizes the risk category of loans within Peoples' loan portfolio, including acquired loans, based upon the most recent analysis performed at **June 30, 2024** **September 30, 2024**:

Term Loans at Amortized Cost by Origination Year															
Term Loans at Amortized Cost by Origination Year															
Term Loans at Amortized Cost by Origination Year															
(Dollars in thousands)															
(Dollars in thousands)															
(Dollars in thousands)	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total Loans	2024	2023	2022	2021	2020	Prior	Total Loans
Construction															
Pass															
Pass															
Pass															
Special mention															
Substandard															
Total															
Total															
Total															

Current period gross charge-offs

Commercial real estate, other

Pass

Pass

Pass

Special mention

Substandard

Doubtful

Total

Total

Total

Current period gross charge-offs

Commercial and industrial

Pass

Pass

Pass

Special mention

Substandard

Doubtful

Total

Total

Total

[Table of Contents](#)

Term Loans at Amortized Cost by Origination Year

Term Loans at Amortized Cost by Origination Year

Term Loans at Amortized Cost by Origination Year

(Dollars in thousands)

(Dollars in thousands)

								Total								Total
(Dollars in thousands)	2024	2023	2022	2021	2020	Prior	Revolving Loans	Loans	2024	2023	2022	2021	2020	Prior	Revolving Loans	Loans

Current period gross charge-offs

Premium Finance

Pass

Pass

Pass

Total

Total

Total

Current period gross charge-offs

Leases

Pass

Pass

Pass

Special mention

Substandard

Doubtful

Loss

Total
Current period gross charge-offs
Residential real estate
Pass
Pass
Pass
Substandard
Substandard
Substandard
Loss
Loss
Loss
Total
Current period gross charge-offs
Home equity lines of credit
Pass
Pass
Pass
Substandard
Substandard
Substandard
Loss
Total
Current period gross charge-offs
Consumer, indirect
Pass
Pass
Pass
Substandard
Substandard
Substandard
Loss
Loss
Loss
Total
Current period gross charge-offs
Consumer, direct
Pass
Pass
Pass
Substandard
Substandard
Substandard

[Table of Contents](#)

Term Loans at Amortized Cost by Origination  
Year  
Term Loans at Amortized Cost by Origination  
Year

**Term Loans at Amortized Cost by Origination  
Year**

(Dollars in thousands)

(Dollars in thousands)

(Dollars in thousands)	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total Loans	2024	2023	2022	2021	2020	Prior	Revolving Loans	Total Loans
Substandard																
Loss																
Loss																
Loss																
Total																
Current period gross charge-offs																
Deposit account overdrafts																
Current period gross charge-offs																
Total loans, at amortized cost																
Total current period gross charge-offs																

The following table summarizes the risk category of loans within Peoples' loan portfolio, including acquired loans, based upon the then most recent analysis performed at December 31, 2023:

**Term Loans at Amortized Cost by  
Origination Year**

**Term Loans at Amortized Cost by  
Origination Year**

**Term Loans at Amortized Cost by  
Origination Year**

(Dollars in  
thousands)

(Dollars in  
thousands)

(Dollars in thousands)	2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term	Total Loans	2023	2022	2021	2020	2019	Prior	Revolving Loans	Converted to Term	Total Loans
Construction																		
Pass																		
Pass																		
Pass																		
Special mention																		
Substandard																		
Total																		
Total																		
Total																		
Current period gross charge-offs																		
Commercial real estate, other																		
Pass																		
Pass																		
Pass																		
Special mention																		
Substandard																		
Doubtful																		
Total																		
Total																		



Total
Current period gross charge-offs
<b>Commercial and industrial</b>
Pass
Pass
Pass
Special mention
Substandard
Doubtful
Total
Total
Total
Current period gross charge-offs
<b>Premium finance</b>
Pass
Pass
Pass
Total
Current period gross charge-offs
<b>Leases</b>

[Table of Contents](#)

Term Loans at Amortized Cost by Origination Year

Term Loans at Amortized Cost by Origination Year

Term Loans at Amortized Cost by Origination Year

(Dollars in thousands)

(Dollars in thousands)

							Revolving Loans	Revolving Loans Converted to Term	Total Loans							Revolving Loans	Converted to Term	Total Loans
(Dollars in thousands)	2023	2022	2021	2020	2019	Prior				2023	2022	2021	2020	2019	Prior			
Leases																		
Pass																		
Pass																		
Pass																		
Special mention																		
Substandard																		
Total																		
Current period gross charge-offs																		
Residential real estate																		
Pass																		
Pass																		

Pass
Substandard
Substandard
Substandard
Loss
Loss
Loss
Total
Current period gross charge-offs
Home equity lines of credit
Pass
Pass
Pass
Substandard
Substandard
Substandard
Loss
Loss
Loss
Total
Current period gross charge-offs
Consumer, indirect
Pass
Pass
Pass
Substandard
Substandard
Substandard
Loss
Loss
Loss
Total
Current period gross charge-offs
Consumer, direct
Pass
Pass
Pass
Substandard
Substandard
Substandard
Loss
Loss
Loss
Total
Current period gross charge-offs
Deposit account overdrafts

Current period gross charge-offs
<b>Total loans, at amortized cost</b>
Current period gross charge-offs

[Table of Contents](#)

Collateral Dependent Loans

Peoples has certain loans for which repayment is dependent upon the operation or sale of collateral, as the borrower is experiencing financial difficulty. The underlying collateral can vary based upon the type of loan. The following provides more detail about the types of collateral that secure collateral dependent loans:

- Construction loans are typically secured by owner occupied commercial real estate or non-owner occupied investment real estate. Typically, owner occupied construction loans are secured by office buildings, warehouses, manufacturing facilities,

[Table of Contents](#)

and other commercial and industrial properties that are in process of construction. Non-owner occupied commercial construction loans are generally secured by multi-family complexes, warehouse buildings, industrial buildings, land under development, and other commercial real estate in process of construction.

- Commercial real estate loans can be secured by either owner occupied commercial real estate or non-owner occupied investment commercial real estate. Typically, owner occupied commercial real estate loans are secured by office buildings, warehouses, manufacturing facilities, and other commercial and industrial properties occupied by operating companies. Non-owner occupied commercial real estate loans are generally secured by multifamily complexes, retail facilities, office buildings and complexes, warehouses, industrial buildings, land under development, as well as other commercial real estate.
- Commercial and industrial loans are generally secured by equipment, inventory, accounts receivable, and other commercial property.
- Residential real estate loans are typically secured by first mortgages, and in some cases could be secured by a second mortgage, on residential real estate property.
- Home equity lines of credit are generally secured by second mortgages on residential real estate property.
- Consumer loans are generally secured by automobiles, motorcycles, recreational vehicles and other personal property. Some consumer loans are unsecured and have no underlying collateral.
- Leases are **most often** secured by commercial equipment and other essential business assets.
- Premium finance loans are secured by the unearned portion of the insurance premium being financed.

The following table details Peoples' amortized cost of collateral dependent loans:

(Dollars in thousands)

(Dollars in thousands)

(Dollars in thousands)

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Amortized Cost				
Commercial real estate, other				
Commercial real estate, other				
Commercial real estate, other				
Premium finance				
Premium finance				
Premium finance				
Leases				
Leases				
Leases				
Commercial and industrial				
Commercial and industrial				
Commercial and industrial				

Residential real estate
Residential real estate
Residential real estate
<b>Total collateral dependent loans</b>
<b>Total collateral dependent loans</b>
<b>Total collateral dependent loans</b>

The increase in collateral dependent loans at **June 30, 2024** **September 30, 2024**, compared to December 31, 2023, was primarily due to the addition of **ten fourteen** leases associated with **three five** customer relationships **and seven premium finance loans** during the three months ended **June 30, 2024** **September 30, 2024**.

**Modifications for Borrowers Experiencing Financial Difficulty**

As part of Peoples' loss mitigation activities, Peoples may agree to modify the contractual terms of a loan to a borrower experiencing financial difficulty. The most common modifications to the contractual terms of a loan to a borrower experiencing financial difficulty include an extension of the maturity date, a reduction in the interest rate for the remaining life of the loan, a temporary period of interest-only payments, and a reduction in the contractual payment amount for either a short period or the remaining term of the loan.

In addition to loan modifications, Peoples also provides other loss mitigation options, such as forbearance and repayment plans, to assist borrowers who experience financial difficulties. In assessing whether or not a borrower is experiencing financial difficulty, Peoples considers information currently available regarding the financial condition of the borrower. This information includes, but is not limited to, whether (1) the borrower is currently in payment default on any of the borrower's debt; (2) a payment default is probable in the foreseeable future without the modification; (3) the borrower has declared or is in the process of declaring bankruptcy; and (4) the borrower's projected cash flow is insufficient to satisfy contractual payments due under the original terms of the loan without a modification.

The following tables display the amortized cost of loans that were restructured during the three and **six nine** months ended **June 30, 2024** **September 30, 2024** and **June 30, 2023** **September 30, 2023**, presented by loan classification.

[Table of Contents](#)

Payment Delay (Only)				
(Dollars in thousands)	Payment Deferral	Term Extension	Total	Percentage of Total by Loan Category <sup>(a)(b)(c)</sup>
During the Three Months Ended June 30, 2024				
Commercial and industrial	—	687	687	0.05 %
Leasing	174	—	174	0.04 %
Home equity lines of credit	—	64	64	0.03 %
Consumer, indirect	—	8	8	— %
Total	\$ 174	\$ 759	\$ 933	0.01 %
During the Three Months Ended June 30, 2023				
Commercial real estate	—	48	48	— %
Commercial and industrial	—	3,319	3,319	0.29 %
Total	\$ —	\$ 3,367	\$ 3,367	0.06 %
(a) Based on the amortized cost basis as of period end, divided by the period end amortized cost basis of the corresponding class of financing receivable.				
(b) The table presented above excludes loans that were paid off or otherwise no longer included in the loan portfolio of period end.				
(c) Each with --% not meaningful				

Payment Delay (Only)

Payment Delay (Only)

Payment Delay (Only)

(Dollars in thousands)

(Dollars in thousands)

		Forbearance Plan			Payment Deferral		Term Extension		Forbearance Plan and Term Extension		Total		Percentage of Total by Loan Category <sup>(a)(b)</sup>		Payment Deferral		Term Extension		Total		Percentage of Total by Loan Category <sup>(a)(b)</sup>						
(Dollars in thousands)		Plan			Deferral		Extension		Extension		Total		(c)		Deferral		Extension		Total		(c)						
During the Six Months Ended June 30, 2024																											
During the Six Months Ended June 30, 2024																											
During the Six Months Ended June 30, 2024																											
During the Three Months Ended September 30, 2024																											
During the Three Months Ended September 30, 2024																											
During the Three Months Ended September 30, 2024																											
Commercial real estate																											
Commercial real estate																											
Commercial real estate		—	—	—	\$	\$	561	\$	—	\$	\$	561	0.03	0.03	%	\$	—	\$	\$	561	\$	\$	561	0.03	0.03	%	
Commercial and industrial	Commercial and industrial	—	—	—	11,171	11,171	—	—	—	—	11,171	11,171	0.89	0.89	%	Commercial and industrial	—	9,057	9,057	—	9,057	9,057	9,057	9,057	9,057	9,057	%
Leasing	Leasing	—	199	199	—	—	—	—	—	—	199	199	0.05	0.05	%	Leasing	14	637	637	14	637	637	637	637	637	637	%
Residential real estate	Residential real estate	—	—	—	76	76	—	—	—	—	76	76	0.01	0.01	%	Residential real estate	—	17	17	—	17	17	17	17	17	17	%
Home equity lines of credit		—	—	—	64	—	—	—	—	64	0.03	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Consumer, indirect																											
Consumer, indirect																											
Consumer, indirect	Consumer, indirect	—	—	—	8	8	—	—	—	—	8	8	—	—	%	14	1	1	1	1	1	1	15	15	15	%	
Total																											
Total																											
Total		\$	—	\$	199	\$	\$	11,880	\$	—	\$	\$	12,079	0.19	0.19	%	\$	28	\$	\$	10,273	\$	\$	10,301	0.16	0.16	%
During the Six Months Ended June 30, 2023																											
During the Three Months Ended September 30, 2023																											
During the Six Months Ended June 30, 2023																											
During the Three Months Ended September 30, 2023																											
During the Six Months Ended June 30, 2023																											
Construction		\$	—	\$	1,600	\$	—	\$	—	\$	1,600	0.38	—	—	%												
During the Three Months Ended September 30, 2023																											
Commercial real estate																											
Commercial real estate																											
Commercial real estate	Commercial real estate	194	—	—	48	48	—	—	—	—	242	242	0.01	0.01	%	—	901	901	—	901	901	901	901	901	901	%	
Commercial and industrial	Commercial and industrial	—	—	—	3,325	3,325	306	306	—	—	3,631	3,631	0.31	0.31	%	Commercial and industrial	—	2,352	2,352	—	2,352	2,352	2,352	2,352	2,352	2,352	%
Residential real estate																											
Residential real estate																											
Residential real estate		—	—	—	220	220	—	—	—	—	220	220	0.03	0.03	%	—	25	25	—	25	25	25	25	25	25	%	
Home equity lines of credit		—	—	52	52	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total																											
Total																											
Total		\$	194	\$	1,600	\$	\$	3,593	\$	306	\$	\$	5,693	0.10	0.10	%	\$	—	\$	\$	3,330	\$	\$	3,330	0.05	0.05	%

(a) Based on the amortized cost basis as of period end, divided by the period end amortized cost basis of the corresponding class of financing receivable.

(b) The table presented above excludes loans that were paid off or otherwise no longer included in the loan portfolio as of period end.

(c) Each  
with --%  
not  
meaningful

(c) Each with --% not meaningful

(c) Each with --% not meaningful

	Payment Delay (Only)						
(Dollars in thousands)	Forbearance Plan	Payment Deferral	Term Extension	Forbearance Plan and Term Extension	Total	Percentage of Total by Loan Category <sup>(a)(b)(c)</sup>	
During the Nine Months Ended September 30, 2024							
Commercial real estate	\$ —	\$ —	\$ 1,122	\$ —	1,122	0.05 %	
Commercial and industrial	—	—	19,148	—	19,148	1.53 %	
Leasing	—	214	637	—	851	0.20 %	
Residential real estate	—	—	90	—	90	0.01 %	
Home equity lines of credit	—	—	64	—	64	0.03 %	
Consumer, indirect	—	14	8	—	22	— %	
Total	\$ —	\$ 228	\$ 21,069	\$ —	21,297	0.34 %	
During the Nine Months Ended September 30, 2023							
Construction	\$ —	\$ 1,598	\$ —	\$ —	1,598	0.43 %	
Commercial real estate	189	—	1,089	—	1,278	0.06 %	
Commercial and industrial	—	—	5,130	293	5,423	0.48 %	
Residential real estate	—	—	243	—	243	0.03 %	
Home equity lines of credit	—	—	203	—	203	0.10 %	
Total	\$ 189	\$ 1,598	\$ 6,665	\$ 293	8,745	0.14 %	
(a) Based on the amortized cost basis as of period end, divided by the period end amortized cost basis of the corresponding class of financing receivable.							
(b) The table presented above excludes loans that were paid off or otherwise no longer included in the loan portfolio as of period end.							
(c) Each with --% not meaningful							

26

[Table of Contents](#)

The following tables summarizes summarize the financial impacts of loan modifications and payment deferrals made to loans during both the three and six nine months ended June 30, 2024 September 30, 2024 and June 30, 2023 September 30, 2023, presented by loan classification.

26

[Table of Contents](#)

	Weighted-Average Term Extension (in months)	Average Amount Capitalized as a Result of a Payment Delay <sup>(a)</sup>
<b>During the Three Months Ended June 30, 2024 September 30, 2024</b>		
Commercial real estate	6	\$ —
Commercial and industrial	28	7 —
Leasing	12	—
Residential real estate	1	—
Home equity lines of credit	120	—
Consumer, indirect	2	13 —
<b>During the Three Months Ended June 30, 2023 September 30, 2023</b>		
Commercial real estate	12	4 —
Commercial and industrial	5	4 —
Residential real estate	240	—
Home equity lines of credit	217	—

<sup>(a)</sup> Represents the average amount of delinquency-related amounts that were capitalized as part of the loan balance. Amounts are in whole dollars.

Weighted-Average Term Extension (in months)		
Weighted-Average Term Extension (in months)		
Weighted-Average Term Extension (in months)	Average Amount Capitalized as a Result of a Payment Delay <sup>(a)</sup>	Average Amount Capitalized as a Result of a Payment Delay <sup>(a)</sup>
<b>During the Six Months Ended June 30, 2024</b>		
Commercial real estate		
Commercial real estate		
Commercial real estate		
Commercial and industrial		
Leasing		
Residential real estate		
Home equity lines of credit		
Consumer, indirect		
<b>During the Six Months Ended June 30, 2023</b>		
<b>During the Nine Months Ended September 30, 2023</b>		
<b>During the Six Months Ended June 30, 2023</b>		
<b>During the Nine Months Ended September 30, 2023</b>		
<b>During the Six Months Ended June 30, 2023</b>		
<b>During the Nine Months Ended September 30, 2023</b>		
Commercial real estate		
Commercial real estate		
Commercial real estate		
Commercial and industrial		
Residential real estate		
Residential real estate		

Residential real estate
Consumer, indirect
Consumer, indirect
Home equity lines of credit
Consumer, indirect

<sup>(a)</sup> Represents the average amount of delinquency-related amounts that were capitalized as part of the loan balance. Amounts are in whole dollars.

<sup>(a)</sup> Represents the average amount of delinquency-related amounts that were capitalized as part of the loan balance. Amounts are in whole dollars.

<sup>(a)</sup> Represents the average amount of delinquency-related amounts that were capitalized as part of the loan balance. Amounts are in whole dollars.

The following tables display the amortized cost of loans that received a completed modification or payment deferral within the previous 12 months and that had a payment default in the periods presented. For purposes of this disclosure, Peoples defines loans that had a payment default as loans that were 90 days or more past due following a modification.

[Table of Contents](#)

Payment Delay as a Result of a Payment Deferral (Only) <sup>(a)</sup>				
For the Three Months Ended <b>June 30, 2024</b> <b>September 30, 2024</b>				
Leasing				26
<b>Total loans that subsequently defaulted</b>	<b>\$</b>			<b>26</b>
For the Nine Months Ended <b>September 30, 2024</b>				
Commercial real estate	\$			193
Commercial and industrial			\$	28
Leasing				26
Residential real estate			\$	76 73
<b>Total loans that subsequently defaulted</b>	<b>\$</b>			<b>297 320</b>
For the <del>Six</del> Three Months Ended <b>June 30, 2024</b> <b>September 30, 2023<sup>(b)</sup></b>				
\$		193		
Commercial and industrial			\$31	245
\$		76		
<b>Total loans that subsequently defaulted</b>	<b>\$</b>			<b>300 245</b>
For the <del>Three and Six Month</del> Nine Months Ended <b>June 30, 2023</b> <b>September 30, 2023<sup>(b)</sup></b>				
Commercial and industrial				245
Consumer, indirect			\$	11
<b>Total loans that subsequently defaulted</b>	<b>\$</b>			<b>11 256</b>
<sup>(a)</sup> Represents the sum of amortized cost and gross charge-off as of period end. Excludes loans that liquidated either through foreclosure, deed-in-lieu of foreclosure, or a short sale.				
<sup>(b)</sup> Accounting standard was implemented as of January 1, 2023, thus information above reflects loan modifications made on or after that date.				

The following table displays an aging analysis of loans that were modified during the 12 months prior to **June 30, 2024** **September 30, 2024**, presented by classification and class of financing receivable.

As of June 30, 2024						As of September 30, 2024					
(Dollars in thousands)	(Dollars in thousands)	30-59 Days Delinquent	60-89 Days Delinquent	90+ Days Delinquent	Total Delinquent Current Total	(Dollars in thousands)	30-59 Days Delinquent	60-89 Days Delinquent	90+ Days Delinquent	Total Delinquent Current Total	
Construction											



Commercial real estate
Commercial real estate
Commercial real estate
Commercial and industrial
Leasing
Residential real estate
Home equity lines of credit
Consumer, indirect
<b>Total loans modified<sup>(a)</sup></b>
<b>Total loans modified<sup>(a)</sup></b>
<b>Total loans modified<sup>(a)</sup></b>

<sup>(a)</sup> Represents the amortized cost basis as of period end.

<sup>(a)</sup> Represents the amortized cost basis as of period end.

<sup>(a)</sup> Represents the amortized cost basis as of period end.

The following table displays an aging analysis of loans that were modified on or after January 1, 2023, the date Peoples adopted ASU 2022-02, through **June 30, 2023** **September 30, 2023**, presented by classification and class of financing receivable.

28

[Table of Contents](#)

As of June 30, 2023								As of September 30, 2023				
(Dollars in thousands)	(Dollars in thousands)	30-59 Days Delinquent	60-89 Days Delinquent	90+ Days Delinquent	Total Delinquent	Current	Total	(Dollars in thousands)	30-59 Days Delinquent	60-89 Days Delinquent	90+ Days Delinquent	Total Delinquent Current Total
Construction												
Commercial real estate	Commercial real estate	—	—	—	—	242	242					
Commercial and industrial												
Residential real estate												
Residential real estate												
Residential real estate												
Home equity lines of credit												
<b>Total loans modified<sup>(a)</sup></b>												
<b>Total loans modified<sup>(a)</sup></b>												
<b>Total loans modified<sup>(a)</sup></b>												

<sup>(a)</sup> Represents the amortized cost basis as of period end.

<sup>(a)</sup> Represents the amortized cost basis as of period end.

<sup>(a)</sup> Represents the amortized cost basis as of period end.

### Allowance for Credit Losses

As discussed in "Note 1 Summary of Significant Accounting Policies" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K, Peoples estimates the allowance for credit losses using relevant available information, from both internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. In management's estimation of expected credit losses, Peoples uses a one-year reasonable and supportable period across all segments. Following the reasonable and supportable period, Peoples reverts the macroeconomic variables to their long run average over a four-quarter reversion period.

Changes in the allowance for credit losses for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and **June 30, 2023** **September 30, 2023** are summarized below:

(Dollars in thousands)

(Dollars in thousands)

	Beginning Balance, March 31, 2024	Initial Allowance for Acquired PCD Assets	(Recovery of) Provision for Credit Losses (a)	Charge- offs	Recoveries	Ending Balance, June 30, 2024	Beginning Balance, June 30, 2024	Initial Allowance for Acquired PCD Assets	(Recovery of) Provision for Credit Losses (a)	Charge- offs	Recoveries	Ending Balance, September 30, 2024
(Dollars in thousands)												
Construction												
Commercial real estate, other												
Commercial and industrial												
Premium finance												
Leases												
Residential real estate												
Home equity lines of credit												
Consumer, indirect												
Consumer, direct												
Deposit account overdrafts												
Total												

(a) Amount does not include the provision for the allowance for credit losses on unfunded commitments.

[Table of Contents](#)

(Dollars in thousands)

(Dollars in thousands)

	Beginning Balance, March 31, 2023	Initial Allowance for Acquired PCD Assets	Provision for (Recovery of) Credit Losses (a)	Charge- offs	Recoveries	Ending Balance, June 30, 2023
(Dollars in thousands)						
Construction						
Construction						
Construction						
Commercial real estate, other						
Commercial real estate, other						
Commercial real estate, other						
Commercial and industrial						
Commercial and industrial						

Commercial and industrial
Premium finance
Premium finance
Premium finance
Leases
Leases
Leases
Residential real estate
Residential real estate
Residential real estate
Home equity lines of credit
Home equity lines of credit
Home equity lines of credit
Consumer, indirect
Consumer, indirect
Consumer, indirect
Consumer, direct
Consumer, direct
Consumer, direct
Deposit account overdrafts
Deposit account overdrafts
Deposit account overdrafts
Total
Total
Total

(a) Amount does not include the provision for the allowance for credit losses on unfunded commitments.

(Dollars in thousands)

(Dollars in thousands)

(Dollars in thousands)

Construction
Construction
Construction
Commercial real estate, other
Commercial real estate, other
Commercial real estate, other
Commercial and industrial
Commercial and industrial
Commercial and industrial
Premium finance
Premium finance
Premium finance
Leases
Leases
Leases
Residential real estate

Residential real estate
Residential real estate
Home equity lines of credit
Home equity lines of credit
Home equity lines of credit
Consumer, indirect
Consumer, indirect
Consumer, indirect
Consumer, direct
Consumer, direct
Consumer, direct
Deposit account overdrafts
Deposit account overdrafts
Deposit account overdrafts
Total
Total
Total

(a) Amount does not include the provision for the allowance for credit losses on unfunded commitments.

(Dollars in thousands)

(Dollars in thousands)

	Beginning Balance, December 31, 2022	Initial Allowance for Acquired PCD Assets	Provision for (Recovery of) Credit Losses (a)	Charge- offs	Recoveries	Ending Balance, June 30, 2023	Beginning Balance, December 31, 2022	Initial Allowance for Acquired PCD Assets	Provision for (Recovery of) Credit Losses (a)	Charge- offs	Recoveries	Ending Balance, September 30, 2023
Construction												
Commercial real estate, other												
Commercial and industrial												
Premium finance												
Leases												
Residential real estate												
Home equity lines of credit												
Consumer, indirect												
Consumer, direct												
Deposit account overdrafts												

Total

(a) Amount does not include the provision for the allowance for credit losses on unfunded commitments.

During the second third quarter of 2024, Peoples recorded a total provision for credit losses of \$5.7 \$6.5 million, which was a result of (i) higher net-charge offs, (ii) an increase of reserves on individually analyzed loans and leases, and (iii) loan growth, net charge-offs. Net charge-offs for the second third quarter of 2024 were \$4.2 \$6.1 million, primarily driven by an increase in charge-offs on leases originated by our North Star Leasing business, division, partially offset by decreases in net charge-offs on commercial and industrial loans and recoveries of other commercial real estate loans. The increase in the allowance for credit losses at June 30, 2024 September 30, 2024 when compared to at March 31, 2024 June 30, 2024 and at December 31, 2023 was primarily due to an increase on reserves for individually analyzed loans and leases.

During the second third quarter of 2023, Peoples recorded a provision for credit losses of \$8.1 \$3.9 million, largely attributable which was driven by (i) loan growth, (ii) an increase in net charge-offs, (iii) updates to our prepayment, curtailment, and funding rates, and (iv) a deterioration in macro-economic conditions used within the CECL mode, partially offset by the release of reserves on individually analyzed loans. The allowance for credit losses at September 30, 2023 also included an allowance for loans that were not considered purchased credit deteriorated acquired in the Limestone merger.

The provision for credit losses during the first nine months of 2024 was \$18.3 million, compared to a provision for credit losses of \$9.4 \$13.7 million for the first nine months of 2023. The provision for credit losses during the first nine months of 2024 was mainly a result of (i) higher net charge-offs, (ii) an increase in reserves on individually analyzed loans and leases, (iii) economic forecast deterioration and (iv) loan growth. The provision for credit losses during the first nine months of 2023 was driven by (i) the addition of the provision for the non-purchased credit deteriorated loans acquired in the Limestone Merger, (ii) loan growth and (iii) economic forecast deterioration, partially offset by a reduction in the release of reserves of \$1.7 million on for individually analyzed loans and leases and a recovery the use of \$1.0 million due to improvements in macro-economic conditions. Net charge-offs for the second quarter of 2023 were \$1.2 million, primarily due to net charge-offs of indirect consumer loans of \$0.8 million. updated loss drivers.

Peoples had recorded an allowance for unfunded commitments of \$1.8 \$2.0 million and \$1.8 million as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively. The allowance for unfunded commitments (also referred to as "unfunded commitment liability") is presented in the "Accrued expenses and other liabilities" line of the Unaudited Consolidated Balance Sheets. The change in the allowance for unfunded commitments is also reflected in the "Provision for (recovery of) credit losses" line of the Unaudited Consolidated Statements of Operations.

[Table of Contents](#)

Note 5 Goodwill and Other Intangible Assets

Goodwill

The following table details changes in the recorded amount of goodwill:

			For the Six Months Ended		For the Year Ended	
			For the Nine Months Ended		For the Year Ended	
(Dollars in thousands)	(Dollars in thousands)	June 30, 2024	December 31, 2023	(Dollars in thousands)	September 30, 2024	December 31, 2023
Goodwill, beginning of period						
Goodwill recorded from acquisitions						
Goodwill, end of period						

As of the close of business on April 30, 2023, Peoples completed its merger with acquisition of Limestone Bancorp, Inc. ("Limestone") pursuant to an Agreement and Plan of Merger dated October 24, 2022, at which point Limestone merged with and into Peoples, and immediately thereafter, Limestone Bank, Inc., the subsidiary bank of Limestone, merged with and into Peoples Bank (collectively, the "Limestone Merger").

As of June 30, 2024, Peoples recorded \$68.8 million of Goodwill related to the Limestone Merger.

[Table of Contents](#)

Other Intangible Assets

Other intangible assets were comprised of the following at June September 30, 2024, and at December 31, 2023:

(Dollars in thousands)	(Dollars in thousands)	Core Deposits	Customer Relationships	Indefinite-Lived Trade Names	(Dollars in thousands)	Core Deposits	Customer Relationships	Indefinite-Lived Trade Names	Total
June 30, 2024									
September 30, 2024									
Gross intangibles									

Gross intangibles
Gross intangibles
Intangibles recorded from acquisitions
Accumulated amortization
Total acquisition-related intangibles
Servicing rights
Non-compete agreements
<b>Total other intangibles</b>

**December 31, 2023**

**December 31, 2023**

**December 31, 2023**

Gross intangibles
Gross intangibles
Gross intangibles
Intangibles recorded from acquisitions
Accumulated amortization
Total acquisition-related intangibles
Servicing rights
Non-compete agreements
<b>Total other intangibles</b>

As of June 30, 2024, Peoples recorded \$27.7 million of core deposit intangibles related to the Limestone Merger. Refer to "Note 13 Acquisitions" for additional information.

The following table details estimated aggregate future amortization of other intangible assets at June 30, 2024:

(Dollars in thousands)	Core Deposits	Customer Relationships	Non-Compete Agreements	Total
Remaining six months of 2024	\$ 2,938	\$ 2,512	\$ 121	\$ 5,571
2025	4,609	4,038	112	8,759
2026	3,736	2,954	16	6,706
2027	3,043	2,112	—	5,155
2028	2,608	1,392	—	4,000
Thereafter	8,646	1,716	—	10,362
<b>Total</b>	<b>\$ 25,580</b>	<b>\$ 14,724</b>	<b>\$ 249</b>	<b>\$ 40,553</b>

The weighted average amortization period of other intangible assets is 8.5 years.

[Table of Contents](#)

The following table details estimated aggregate future amortization of other intangible assets at September 30, 2024:

(Dollars in thousands)	Core Deposits	Customer Relationships	Non-Compete Agreements	Total
Remaining three months of 2024	\$ 1,466	\$ 1,254	\$ 64	\$ 2,784
2025	4,609	4,038	112	8,759
2026	3,736	2,954	16	6,706
2027	3,043	2,112	—	5,155
2028	2,608	1,392	—	4,000

Thereafter		8,646		1,716		—	\$		10,362
<b>Total</b>	<b>\$</b>	<b>24,108</b>	<b>\$</b>	<b>13,466</b>	<b>\$</b>	<b>192</b>	<b>\$</b>		<b>37,766</b>

The weighted average amortization period of other intangible assets is 8.5 years.

## Note 6 Deposits

Peoples' deposit balances were comprised of the following:

(Dollars in thousands)	(Dollars in thousands)	June 30, 2024	December 31, 2023	(Dollars in thousands)	September 30, 2024	December 31, 2023
Retail certificates of deposits ("CDs"):	Retail certificates of deposits ("CDs"):			Retail certificates of deposits ("CDs"):		
\$100 or more						
Less than \$100						
Total Retail CDs						
Interest-bearing deposit accounts						
Savings accounts						
Money market deposit accounts						
Governmental deposit accounts						
Brokered CDs						
Brokered CDs						
Brokered CDs						
Total interest-bearing deposits						
Non-interest-bearing deposits						
<b>Total deposits</b>						

Uninsured deposits were \$2.0\$2.0 billion at June September 30, 2024 and at December 31, 2023. Uninsured deposit amounts are estimated based on the portion of the respective customer account balances that exceeded the FDIC limit of \$250,000. Peoples pledges investment securities against certain governmental deposit accounts, which covered over \$748.3\$714.1 million and \$788.7 million of the uninsured deposit balances at June September 30, 2024 and December 31, 2023, respectively.

Uninsured time deposits are broken out below by time remaining until maturity.

(Dollars in thousands)	September 30, 2024	December 31, 2023
3 months or less	\$ 167,259	\$ 58,708
Over 3 to 6 months	158,541	99,928
Over 6 to 12 months	82,378	131,263
Over 12 months	15,910	37,180
<b>Total</b>	<b>\$ 424,088</b>	<b>\$ 327,079</b>

  

(Dollars in thousands)	June 30, 2024	December 31, 2023
3 months or less	\$ 133,606	\$ 58,708
Over 3 to 6 months	164,129	99,928
Over 6 to 12 months	95,038	131,263
Over 12 months	19,725	37,180
<b>Total</b>	<b>\$ 412,498</b>	<b>\$ 327,079</b>

[Table of Contents](#)

The contractual maturities of CDs for each of the next five years, including the remainder of 2024, and thereafter are as follows:

(Dollars in thousands)	(Dollars in thousands)	Retail	Brokered	Total	(Dollars in thousands)	Retail	Brokered	Total
Remaining six months ending December 31, 2024								
Remaining three months ending December 31, 2024								

Year ending December 31, 2025

Year ending December 31, 2026

Year ending December 31, 2027

Year ending December 31, 2028

Thereafter

**Total CDs**

At **June 30, 2024** **September 30, 2024**, Peoples had **9** **nine** effective interest rate swaps, with an aggregate notional value of \$85.0 million, all of which were funded by brokered CDs. Brokered CDs used to fund interest rate swaps are expected to be extended every 90 days through the maturity dates of the swaps. Additional information regarding Peoples' interest rate swaps can be found in "Note 10 Derivative Financial Instruments."

**Note 7 Stockholders' Equity**

The following table details the progression in Peoples' common shares and treasury stock during the **six** **nine** months ended **June 30, 2024** **September 30, 2024**:

	Common Shares	Treasury Stock	Common Shares	Treasury Stock
<b>Shares at December 31, 2023</b>				
Changes related to stock-based compensation awards:	Changes related to stock-based compensation awards:		Changes related to stock-based compensation awards:	
Release of restricted common shares				
Release of restricted common shares				
Release of restricted common shares				
Cancellation of restricted common shares				
Grant of restricted common shares				
Grant of restricted common shares				
Grant of restricted common shares				
Grant of unrestricted common shares				
Purchase of treasury stock				
Purchase of treasury stock				
Purchase of treasury stock				
Disbursed out of treasury stock				
Common shares repurchased under share repurchase program				
Common shares issued under dividend reinvestment plan				
Common shares issued under compensation plan for Boards of Directors				
Common shares issued under employee stock purchase plan				
Common shares issued under employee stock purchase plan				
Common shares issued under employee stock purchase plan				
<b>Shares at June 30, 2024</b>				
<b>Shares at September 30, 2024</b>				
<b>Shares at June 30, 2024</b>				
<b>Shares at September 30, 2024</b>				
<b>Shares at June 30, 2024</b>				
<b>Shares at September 30, 2024</b>				

On January 28, 2021, Peoples' Board of Directors approved a share repurchase program authorizing Peoples to purchase up to an aggregate of \$30.0 million of Peoples' outstanding common shares. As of **June 30, 2024** **September 30, 2024**, Peoples had repurchased **an aggregate of** 471,307 common shares totaling \$13.4 million under the share repurchase program. There were 100,905 common shares totaling \$3.0 million repurchased during the first **six** **nine** months of 2024, none of which were purchases in the **third quarter** of 2024.

Under Peoples' Amended Articles of Incorporation, Peoples is authorized to issue up to 50,000 preferred shares, in one or more series, having such voting powers, designations, preferences, rights, qualifications, limitations and restrictions as designated by Peoples' Board of Directors. At **June 30, 2024** **September 30, 2024**, Peoples had no preferred shares issued or outstanding.



On [July 22, 2024](#) [October 21, 2024](#), Peoples' Board of Directors declared a quarterly cash dividend of \$0.40 per common share, payable on [August 19, 2024](#) [November 18, 2024](#), to shareholders of record on [August 5, 2024](#) [November 4, 2024](#). The following table details the cash dividends declared per common share during the [first three](#) four quarters of 2024 and the comparable periods of 2023:

	2024	2024	2023	2024	2023
First quarter					
Second quarter					
Third quarter					
Fourth quarter					
Total dividends declared					
Total dividends declared					
Total dividends declared					

Accumulated Other Comprehensive (Loss) Income

The following table details the change in the components of Peoples' accumulated other comprehensive (loss) income during the [six nine](#) months ended [June 30, 2024](#) [September 30, 2024](#):

(Dollars in thousands)

(Dollars in thousands)

	Unrealized (Loss) Gain on Securities	Unrealized Gain on Cash Flow Hedges	Accumulated Other Comprehensive (Loss) Income	Unrealized (Loss) Gain on Securities	Unrealized Gain on Cash Flow Hedges	Accumulated Other Comprehensive (Loss) Income
(Dollars in thousands)						
Balance, December 31, 2023						
Reclassification adjustments to net income:						
Realized loss on securities, net of tax						
Realized loss on securities, net of tax						
Realized loss on securities, net of tax						
Other comprehensive (loss) income, net of reclassifications and tax						
Other comprehensive (loss) income, net of reclassifications and tax						
Other comprehensive (loss) income, net of reclassifications and tax						
Balance, June 30, 2024						
Balance, September 30, 2024						

Note 8 Employee Benefit Plans

Peoples sponsored a noncontributory defined benefit pension plan that covered substantially all employees hired before January 1, 2010. The plan provided retirement benefits based on an employee's years of service and compensation. For employees hired before January 1, 2003, the amount of post-retirement benefit was based on the employee's average monthly compensation over the highest five consecutive years out of the employee's last [ten 10](#) years with Peoples while an eligible employee. For employees hired on or after January 1, 2003, the amount of post-retirement benefit was based on 2% of the employee's annual compensation during the years 2003 through 2009, plus accrued interest. During the third quarter of 2023, Peoples terminated its pension plan by settling the remaining benefit obligation of \$7.7 million. The pension plan had been closed to new entrants since January 1, 2010. Peoples recorded a settlement charge of \$2.4 million in the third quarter of 2023 in relation to the termination of the pension plan. Peoples does not anticipate further expenses related to the termination.

## Retirement Savings Plan

Peoples also maintains a retirement savings plan, or 401(k) plan, which covers substantially all employees. The plan provides participants with the opportunity to save for retirement on a tax-deferred basis. **As of** Since January 1, 2021, Peoples matches 100% of participants' contributions up to 6% of the participants' compensation. Matching contributions made by Peoples totaled **\$3.1** \$4.5 million during the **six** nine months ended **June 30, 2024** September 30, 2024 and **\$2.7** \$4.1 million for the **six** nine months ended **June 30, 2023** September 30, 2023.

[Table of Contents](#)

## Note 9 Earnings Per Common Share

The calculations of basic and diluted earnings per common share were as follows:

	Three Months Ended	Three Months Ended	June 30,	Six Months Ended	Three Months Ended	September 30,	Nine Months Ended
(Dollars in thousands, except per common share data)	(Dollars in thousands, except per common share data)	2024	2023	2024	(Dollars in thousands, except per common share data)	2024	2023
Net income available to common shareholders							
Less: Dividends paid on unvested common shares							
Less: Undistributed income allocated to unvested common shares							
<b>Net earnings allocated to common shareholders</b>							
Weighted-average common shares outstanding							
Weighted-average common shares outstanding							
Weighted-average common shares outstanding							
Effect of potentially dilutive common shares							
<b>Total weighted-average diluted common shares outstanding</b>							
<b>Earnings per common share:</b>							
<b>Earnings per common share:</b>							
<b>Earnings per common share:</b>							
Basic							
Basic							
Basic							
Diluted							
<b>Anti-dilutive common shares excluded from calculation:</b>							
Restricted common shares							
Restricted common shares							
Restricted common shares							

## Note 10 Derivative Financial Instruments

Peoples utilizes interest rate swap agreements as part of its asset/liability management strategy to help manage its interest rate risk position. The notional amount of the interest rate swaps does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate swap agreements. The fair value of derivative financial instruments is included in the "Other assets" and the "Accrued expenses and other liabilities" lines in the accompanying Unaudited Consolidated Balance Sheets, while cash activity related to these derivative financial instruments is included in the activity in "Net cash provided by operating activities" in the Unaudited Condensed Consolidated Statements of Cash Flows.

## Derivative Financial Instruments and Hedging Activities - Risk Management Objective of Using Derivative Financial Instruments

Peoples is exposed to certain risks arising from both its business operations and economic conditions. Peoples principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. Peoples manages economic risks, including interest rate, liquidity and credit risk, primarily by managing the amount, sources and duration of its assets and liabilities. Peoples also manages interest rate risk through the use of derivative financial instruments. Specifically, Peoples enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or

34

### [Table of Contents](#)

payment of future known or expected cash amounts, the values of which are determined by interest rates. Peoples' derivative financial instruments are used to manage differences in the amount, timing and duration of Peoples' known or expected cash receipts and its known or expected cash payments principally related to certain variable rate borrowings. Peoples also has interest rate derivative financial instruments that result from a service provided to certain qualifying customers and, therefore, are not used to manage interest rate risk in Peoples' assets or liabilities. Peoples manages a matched book with respect to customer-related derivative financial instruments in order to minimize its net risk exposure resulting from such transactions.

### Cash Flow Hedges of Interest Rate Risk

Peoples' objectives in using interest rate derivative financial instruments are to add stability to interest income and expense, and to manage its exposure to interest rate movements. To accomplish these objectives, Peoples has entered into interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps are designated as cash flow hedges and involve the receipt of variable rate amounts from a counterparty in exchange for Peoples making fixed payments. At **June 30, 2024** **September 30, 2024**, Peoples had entered into 9 interest rate swap contracts with an aggregate notional value of \$85.0 million. Peoples will pay a fixed rate of interest for up to **ten** four years while receiving a floating rate component of interest equal to term SOFR. The interest received on the floating rate component is intended to offset the interest paid on rolling three-month brokered CDs, which will continue to be rolled through the life of the interest rate swaps. At both **June 30, 2024** **September 30, 2024** and at December 31, 2023, the interest rate swaps were designated as cash flow hedges of \$85.0 million and \$105.0 million, respectively, in brokered CDs, which are expected to be extended every 90 days through the maturity dates of the interest rate swaps.

35

### [Table of Contents](#)

For derivative financial instruments designated as cash flow hedges, the effective and ineffective portions of changes in the fair value of each derivative financial instrument is reported in accumulated other comprehensive (loss) income ("AOCI") (outside of earnings), net of tax, and are reclassified to interest expense as interest payments are made or received on Peoples' variable-rate liabilities. Peoples assesses the effectiveness of each hedging relationship by comparing the changes in cash flows of the hedging derivative financial instrument with the changes in cash flows of the designated hedged transaction. The reset dates and the payment dates on the brokered CDs are matched to the reset dates and payment dates on the receipt of the term SOFR rate (or the three-month LIBOR floating portion prior to June 30, 2023) of the swaps to ensure effectiveness of the cash flow hedge. For the **six** nine months ended **June 30, 2024** **September 30, 2024**, and 2023, Peoples recorded reclassifications of losses to earnings of **\$1.7 million** **\$2.4 million** and **\$130,000**, **\$2.3 million**, respectively. During the next **twelve** 12 months, Peoples estimates that \$1.4 million of AOCI will be reclassified as an addition to interest expense.

The following table summarizes information about the interest rate swaps designated as cash flow hedges:

(Dollars in thousands)		June 30, December 31,		September 30, December 31,	
(Dollars in thousands)		2024	2023	(Dollars in thousands)	2024 2023
Notional amount					
Weighted average pay rates	Weighted average pay rates	2.34 %	2.22 %	Weighted average pay rates	2.34 % 2.22 %
Weighted average receive rates	Weighted average receive rates	5.00 %	4.63 %	Weighted average receive rates	4.27 % 4.63 %
Weighted average maturity	Weighted average maturity	1.8 years	2.0 years	Weighted average maturity	1.6 years 2.0 years
Pre-tax changes in fair value included in AOCI					

The following table presents changes in fair value recorded in AOCI and in the Consolidated Statements of Operations related to the cash flow hedges:

	Three Months Ended		Three Months Ended		Six Months Ended		Three Months Ended		Nine Months Ended	
	June 30,		June 30,		September 30,		September 30,		September 30,	
(Dollars in thousands)	(Dollars in thousands)	2024 2023	2024	2023	(Dollars in thousands)	2024 2023	2024	2023	2024	2023
Amount of losses (gains) recorded in AOCI, pre-tax										

The following table reflects the cash flow hedges, which are included in the Unaudited Consolidated Balance Sheets at fair value:

June 30, 2024	December 31, 2023
---------------	-------------------

September 30, 2024						December 31, 2023				
(Dollars in thousands)	(Dollars in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value	(Dollars in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value
<b>Included in "Other assets":</b>										
Interest rate swaps related to debt										
Interest rate swaps related to debt										
Interest rate swaps related to debt										

36

[Table of Contents](#)

#### Non-Designated Hedges

Peoples Bank maintains an interest rate protection program for commercial loan customers, which was established in 2010. Under this program, Peoples Bank originates variable rate loans with interest rate swaps, where the customer enters into an interest rate swap with Peoples Bank on terms that match the terms of the loan. By entering into the interest rate swap with the customer, Peoples Bank

35

[Table of Contents](#)

effectively provides the customer with a fixed rate loan while creating a variable rate asset for Peoples Bank. Peoples Bank offsets its exposure in the interest rate swap by entering into an offsetting interest rate swap with an unaffiliated institution. These interest rate swaps do not qualify as designated hedges; therefore, each interest rate swap is accounted for as a standalone derivative financial instrument. These interest rate swaps did not have a material impact on Peoples' results of operations or financial condition at or for the three and six months ended June 30, 2024 September 30, 2024 and at or for the year ended December 31, 2023.

The following table reflects the non-designated hedges, which are included in the Unaudited Consolidated Balance Sheets at fair value:

June 30, 2024						December 31, 2023				
September 30, 2024						December 31, 2023				
(Dollars in thousands)	(Dollars in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value	(Dollars in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value
<b>Included in "Other assets":</b>										
Interest rate swaps related to commercial loans										
Interest rate swaps related to commercial loans										
Interest rate swaps related to commercial loans										
<b>Included in "Accrued expenses and other liabilities":</b>										
<b>Included in "Accrued expenses and other liabilities":</b>										
<b>Included in "Accrued expenses and other liabilities":</b>										
Interest rate swaps related to commercial loans										
Interest rate swaps related to commercial loans										
Interest rate swaps related to commercial loans										

#### Pledged Collateral

Peoples Bank pledges or receives collateral for all interest rate swaps. When the fair value of Peoples Bank interest rate swaps is in a net liability position, Peoples Bank must pledge collateral, and, when the fair value of Peoples Bank interest rate swaps is in a net asset position, the respective counterparties must pledge collateral. At June 30, 2024 September 30, 2024 and at December 31, 2023, Peoples Bank had no cash pledged, while counterparties had \$15.4 \$6.6 million of cash pledged at June 30, 2024 September

30, 2024 and \$12.8 million of cash pledged at December 31, 2023. Peoples Bank had no pledged investment securities at June 30, 2024 September 30, 2024 or at December 31, 2023, while the counterparties had pledged investment securities in the amounts of \$2.0 million at June 30, 2024 September 30, 2024 and \$2.2 million at December 31, 2023.

Note 11 Stock-Based Compensation

Under the Peoples Bancorp Inc. Fourth Amended and Restated 2006 Equity Plan (the "2006 Equity Plan"), Peoples may grant, among other awards, nonqualified stock options, incentive stock options, restricted common share awards, stock appreciation rights, performance units and unrestricted common share awards to employees and non-employee directors. The total number of common shares available under the 2006 Equity Plan is 1,493,297. The maximum number of common shares that can be issued for incentive stock options is 750,000. Since February 2009, Peoples has granted restricted common shares to employees, and periodically to non-employee directors, subject to the terms and conditions prescribed by the 2006 Equity Plan. In general, common shares issued in connection with stock-based awards are issued from treasury shares to the extent available. If no treasury shares are available, common shares are issued from authorized but unissued common shares.

Restricted Common Shares

Under the 2006 Equity Plan, Peoples may award restricted common shares to officers, key employees and non-employee directors. In general, the restrictions on the restricted common shares awarded to officers and key employees expire after periods ranging from one to five years. Since 2018, common shares awarded to non-employee directors have vested immediately upon grant with no restrictions. In the first six nine months of 2024, Peoples granted an aggregate of 283,712 restricted common shares subject to performance-based vesting to officers and key employees with restrictions that will lapse three years after the grant date; provided that in order for the restricted common shares to vest in full, Peoples must have reported positive net income and maintained a well-capitalized status by regulatory standards for each of the three fiscal years preceding the vesting date.

The following table summarizes the changes to Peoples' restricted common shares for the six nine months ended June 30, 2024 September 30, 2024:

	Time-Based Vesting		Performance-Based Vesting	
	Number of Common	Weighted-Average Grant	Number of Common	Weighted-Average Grant
	Shares	Date Fair Value	Shares	Date Fair Value
<a href="#">Table of Contents</a>				
Outstanding at January 1, 2024	142,419	\$ 28.78	403,970	\$ 31.21
Awarded	8,812	28.93	283,712	27.92
Released		32.37		31.48
Forfeited	(9,779)	29.65	(23,444)	29.51
Outstanding at June 30, 2024	129,095	\$ 28.38	594,800	\$ 29.67
Outstanding at January 1, 2024	142,419	\$ 28.78	403,970	\$ 31.21
Awarded	21,258	29.76	283,712	27.92
Released	(19,526)	31.65	(72,550)	31.48
Forfeited	(9,779)	29.65	(23,444)	29.51
Outstanding at September 30, 2024	134,372	\$ 28.46	591,688	\$ 29.67

For the six nine months ended June 30, 2024 September 30, 2024, the intrinsic value for restricted common shares released was \$2.4 million \$2.6 million compared to \$2.5 million \$3.0 million for the six nine months ended June 30, 2023 September 30, 2023.

[Table of Contents](#)

Stock-Based Compensation

Peoples recognizes stock-based compensation, which is included as a component of Peoples' salaries and employee benefit costs, for restricted and unrestricted common shares, as well as purchases made by participants in the employee stock purchase plan. For restricted common shares, Peoples recognizes stock-based compensation based on the estimated fair value of the awards expected to vest on the grant date. The estimated fair value is then expensed over the vesting period, which is normally three years. Peoples also has an employee stock purchase plan whereby employees can purchase Peoples' common shares at a discount of 15%. The following table summarizes the amount of stock-based compensation expense and related tax benefit recognized for each period:

	Three Months Ended	Three Months Ended		Six Months Ended	Three Months Ended	Nine Months Ended
					September	
		June 30,			30,	
(Dollars in thousands)	(Dollars in thousands)	2024 2023		(Dollars in thousands)	2024 2023	2024 2023
Employee stock-based compensation expense:						
Stock grant expense						
Stock grant expense						
Stock grant expense						
Employee stock purchase plan expense						

Total employee stock-based compensation expense
Total employee stock-based compensation expense
Total employee stock-based compensation expense
Non-employee director stock-based compensation expense
Total stock-based compensation expense
Recognized tax benefit
<b>Net stock-based compensation expense</b>

The fair value of restricted common share awards on the grant date is the market price of Peoples' common shares on that date. Total unrecognized stock-based compensation expense related to unvested restricted common share awards was \$8.2 million \$7.2 million at June 30, 2024 September 30, 2024, which will be recognized over a weighted-average period of 2.2 2.0 years.

38

[Table of Contents](#)

## Note 12 Revenue

The following table details Peoples' revenue from contracts with customers:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
(Dollars in thousands)	2024	2023	2024	2023
Insurance income:				
Commission and fees from sale of insurance policies (a)	\$ 4,104	\$ 3,969	\$ 8,389	\$ 7,867
Performance-based commissions (b)	5	35	2,218	1,562
Trust and investment income:				
Fiduciary income (a)	3,010	2,747	5,767	5,204
Brokerage income (a)	1,989	1,667	3,831	3,294
Electronic banking income:				
Interchange income (a)	5,086	5,036	9,883	9,217
Promotional and usage income (a)	1,384	1,430	2,633	2,692
Deposit account service charges:				
Ongoing maintenance fees for deposit accounts (a)	1,716	1,623	3,434	3,084
Transaction-based fees (b)	2,623	2,530	5,128	4,592
Commercial loan swap fees (b)	59	118	111	118
Other non-interest income transaction-based fees (b)	589	378	1,093	808
<b>Total revenue from contracts with customers</b>	<b>\$ 20,565</b>	<b>\$ 19,533</b>	<b>\$ 42,487</b>	<b>\$ 38,438</b>
Timing of revenue recognition:				
Services transferred over time	\$ 17,289	\$ 16,472	\$ 33,937	\$ 31,358
Services transferred at a point in time	3,276	3,061	8,550	7,080
<b>Total revenue from contracts with customers</b>	<b>\$ 20,565</b>	<b>\$ 19,533</b>	<b>\$ 42,487</b>	<b>\$ 38,438</b>

(a) Services transferred over time.

(b) Services transferred at a point in time.

37

[Table of Contents](#)

	Three Months Ended	Nine Months Ended
	September 30,	September 30,

(Dollars in thousands)	2024	2023	2024	2023
Insurance income:				
Commission and fees from sale of insurance policies (a)	\$ 4,271	\$ 4,210	\$ 12,660	\$ 12,077
Performance-based commissions (b)	—	40	2,218	1,602
Trust and investment income:				
Fiduciary income (a)	2,838	2,506	8,605	7,710
Brokerage income (a)	2,044	1,782	5,875	5,076
Electronic banking income:				
Interchange income (a)	4,981	5,124	14,864	14,341
Promotional and usage income (a)	1,378	1,342	4,011	4,034
Deposit account service charges:				
Ongoing maintenance fees for deposit accounts (a)	1,741	1,577	5,175	4,661
Transaction-based fees (b)	2,779	2,939	7,907	7,531
Commercial loan swap fees (b)	163	475	274	593
Other non-interest income transaction-based fees (b)	243	391	1,336	1,199
<b>Total revenue from contracts with customers</b>	<b>\$ 20,438</b>	<b>\$ 20,386</b>	<b>\$ 62,925</b>	<b>\$ 58,824</b>
Timing of revenue recognition:				
Services transferred over time	\$ 17,253	\$ 16,541	\$ 51,190	\$ 47,899
Services transferred at a point in time	3,185	3,845	11,735	10,925
<b>Total revenue from contracts with customers</b>	<b>\$ 20,438</b>	<b>\$ 20,386</b>	<b>\$ 62,925</b>	<b>\$ 58,824</b>
(a) Services transferred over time. (b) Services transferred at a point in time.				

Peoples records contract assets for income that has been recognized over a period of time for fulfillment of performance obligations, but has not yet been received related to electronic banking income and certain insurance income. This income typically relates to bonuses for which Peoples is eligible, but will not receive until a certain time in the future. Peoples records contract liabilities for payments received for commission income related to the sale of insurance policies, for which the performance obligations have not yet been fulfilled. The contract liabilities are recognized as income over time, during the period in which the performance obligations are fulfilled, which is over the insurance policy period. Peoples also records contract liabilities for bonuses received related to electronic banking income, for which the performance obligations have not yet been fulfilled. The contract liabilities are recognized as income over time, during the period in which the performance obligations are fulfilled related to electronic banking income.

The following table details the changes in Peoples' contract assets and contract liabilities for the ~~six-month~~ **nine-month** period ended **June 30, 2024** September 30, 2024:

(Dollars in thousands)	Contract Assets	Contract Liabilities	Contract Assets	Contract Liabilities
Balance, January 1, 2024				
Additional income receivable				
Additional deferred income				
Receipt of income previously receivable				
Recognition of income previously deferred				
<b>Balance, June 30, 2024</b>				
<b>Balance, September 30, 2024</b>				

## Note 13 Acquisitions

### Limestone Bancorp, Inc.

As of the close of business on April 30, 2023, Peoples completed the Limestone Merger. In connection with the Limestone Merger, Limestone Bank, Inc., which operated 20 branches in Kentucky, merged into Peoples Bank. As consideration in the Limestone Merger, Limestone shareholders were paid 0.90 common shares of Peoples for each full share of Limestone that was owned at the merger date, resulting in the issuance of 6,827,668 common shares by Peoples, or aggregate consideration of \$177.9 million. Peoples accounted for this transaction as a business combination under the acquisition method.

Peoples recorded no acquisition-related \$(0.7) million in other non-interest expenses related to the Limestone Merger for both the three and nine months ended June 30, 2024 and \$(0.1) million for the six months ended June 30, 2024 September 30, 2024. Peoples recorded acquisition-related expenses related to the Limestone Merger, which included \$10.8 million and \$11.2 million in non-interest expense for the three months and the six months ended June 30, 2023, respectively. For the second third quarter of 2023, the \$10.8 Peoples had \$4.4 million of acquisition-related non-interest expense which consisted of \$5.2 \$2.1 million in other non-interest expense, \$1.3 million in data processing and software expense, \$0.6 million in salaries and employee benefit costs, \$4.8 and \$0.4 million in professional fees. For the nine months ended September 30, 2023, Peoples had \$15.7 million of acquisition-related non-interest expense which consisted of \$5.7 million in salaries and employee benefit costs, \$5.5 million in professional fees, \$0.5 \$3.0 million in insurance other non-interest expense, \$1.3 million in data processing and software expense, and \$0.3 \$0.2 million in various other non-interest expense line items. For the six months ended June 30, 2023, the \$11.2 million of non-interest expense consisted of \$5.2 million in salaries and employee benefit costs, \$5.1 million in professional fees, \$0.5 million in insurance expense, \$0.4 million in various other non-interest expense line items, items.

The following table provides the purchase price calculation as of the date of the Limestone Merger, and the assets acquired and liabilities assumed at their estimated fair values.

<i>(Dollars in thousands)</i>	<b>Fair Value</b>
<b>Total purchase price</b>	<b>\$ 177,931</b>
<b>Assets</b>	
Cash and balances due from banks	6,422
Interest-bearing deposits in other banks	87,115
Total cash and cash equivalents	93,537
Available-for-sale investment securities, at fair value	166,944
Other investment securities	5,716
Total investment securities	172,660
Loans	1,077,929
Allowance for credit losses (on PCD loans)	(2,051)
Net loans	1,075,878

38

## [Table of Contents](#)

<i>(Dollars in thousands)</i>	<b>Fair Value</b>
Bank premises and equipment, net of accumulated depreciation	17,690
Bank owned life insurance	31,343
Other intangible assets	27,722
Other assets	36,874
<b>Total assets</b>	<b>1,455,704</b>
<b>Liabilities</b>	
Deposits:	
Non-interest-bearing	262,727
Interest-bearing	971,457
Total deposits	1,234,184
Short-term borrowings	60,000
Long-term borrowings	39,453
Accrued expenses and other liabilities	12,967
<b>Total liabilities</b>	<b>1,346,604</b>
Net assets	109,100
<b>Goodwill</b>	<b>\$ 68,831</b>

The goodwill recorded in connection with the Limestone Merger is related to expected synergies to be gained from the combination of Limestone with Peoples' operations. The employees retained from the Limestone Merger and the geographic locations

40



of Limestone should allow Peoples to continue to grow the loan and deposit portfolios while also increasing Peoples' ability to penetrate the new markets, which should benefit Peoples in future periods. During Peoples' evaluation of intangible assets, it was determined that an assembled workforce intangible asset was not separately recognizable and was included in goodwill. Peoples recorded a core deposit asset in other intangible assets related to the Limestone Merger.

Loans acquired by Peoples in a business combination that have evidence of more than insignificant credit deterioration, which includes loans as to which Peoples believes it is probable that Peoples will be unable to collect all contractually required payments, are considered "purchased credit deteriorated" (or "PCD") loans. Acquired PCD loans are reported net of the unamortized fair value adjustment. These loans are recorded at the purchase price, and an allowance for credit losses is determined based upon discrete credit marks, along with discounted cash flow models based upon similar pools of loans, using a similar methodology as for other loans. The following table details the fair value adjustment for acquired PCD loans as of the acquisition date:

(Dollars in thousands)	Par Value	Allowance for Credit Losses	Non-Credit (Discount) Premium	Fair Value
PCD loans				
Commercial real estate, other	30,907	(1,340)	(2,160)	27,407
Commercial and industrial	16,466	(379)	(610)	15,477
Residential real estate	6,328	(228)	(770)	5,330
Home equity lines of credit	774	(18)	11	767
Consumer	1,029	(86)	78	1,021
Fair value	\$ 55,504	\$ (2,051)	\$ (3,451)	50,002

#### Note 14 Leases

Peoples has elected certain practical expedients, in accordance with ASC 842 - Leases ("ASC 842"). As a lessor, Peoples has made an accounting policy election to exclude from the consideration in the contract, and from variable payments not included in the consideration in the contract, all sales and other similar taxes assessed. Peoples has also made an accounting policy election to account for each separate lease component of a contract and its associated non-lease components as a single lease component for all leases subject to ASC 842.

39

#### Lessor Arrangements

Leases originated by Peoples, that Peoples has the positive intent and ability to hold for the foreseeable future or to maturity or payoff, are reported at the net investment in the lease, net of initial direct costs, charge-offs and an allowance for credit losses. Peoples considers leases past due if any required principal or interest payments have not been received as of the date such payments were required to be made under the terms of the lease agreement. Upon detection of the reduced ability of a lessee to meet cash flow obligations, a lease is typically charged down to the net realizable value, with the residual remaining balance placed on nonaccrual status. Leases deemed to be uncollectable are charged against the allowance for credit losses, while recoveries of previously charged-off amounts are credited to the allowance for credit losses.

Peoples originates sales-type leases through its **NSL North Star Leasing** division, as these leases are typically structured as dollar buy-out, whereby the lessee pays one dollar at maturity of the lease to purchase the **equipment, equipment, or as equipment finance agreements**. These leases do not typically contain residual value guarantees; however, if a lease contains a residual value guarantee, Peoples reduces its residual asset risk by obtaining a security deposit from the lessee. Peoples also originates leases through its Vantage subsidiary, which are classified as either sales-type, direct financing leases, or operating leases based primarily on whether they **included include** a dollar buy-out or a fair market value buy-out, respectively. As a lessor, Peoples originates commercial equipment leases either directly to the customer or indirectly through vendor programs. Equipment leases relate to **automotive, construction, health care, information technology, restaurant, manufacturing, office, restaurant, information technology healthcare**, and other equipment. Finance leases include an estimated residual value, which is assessed for impairment as part of the allowance for credit losses. Lease income noted in the table below includes (i) gains on the early termination of leases, (ii) fees received for referrals, (iii) gains and losses recognized on the sales of residual assets and (iv) syndication income. Additional information regarding Peoples' leases can be found in "Note 4 Loans and Leases."

41

The table below details Peoples' lease income:

<b>Three Months Ended</b>	<b>Six Months Ended</b>	<b>Three Months Ended</b>	<b>Nine Months Ended</b>
---------------------------	-------------------------	---------------------------	--------------------------

(Dollars in thousands)	(Dollars in thousands)	June 30, 2024	June 30, 2023	June 30, 2023	(Dollars in thousands)	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest and fees on leases (a)									
Lease income									
Lease income (loss)									
Other non-interest income (b)									
<b>Total lease income</b>									

(a) Included in "Interest and fees on loans and leases" in the Unaudited Consolidated Statements of Operations. For additional information, see "Note 4 Loans and Leases" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

(b) Included in "Other non-interest income" is operating lease income.

The following table summarizes the net investment in leases, which is included in "Loans and leases, net of deferred fees and costs" on the Unaudited Consolidated Balance Sheets:

(Dollars in thousands)	June 30, 2024	December 31, 2023
Lease payments receivable, at amortized cost	\$ 483,473	\$ 463,742
Estimated residual values	34,829	33,448
Initial direct costs	7,723	7,114
Deferred revenue	(95,374)	(90,244)
<b>Net investment in leases</b>	<b>430,651</b>	<b>414,060</b>
Allowance for credit losses - leases	(15,218)	(10,850)
<b>Net investment in leases, after allowance for credit losses</b>	<b>\$ 415,433</b>	<b>\$ 403,210</b>

40

#### [Table of Contents](#)

(Dollars in thousands)	September 30, 2024	December 31, 2023
Lease payments receivable, at amortized cost	\$ 484,926	\$ 463,742
Estimated residual values	33,758	33,448
Initial direct costs	7,719	7,114
Deferred revenue	(93,394)	(90,244)
<b>Net investment in leases</b>	<b>433,009</b>	<b>414,060</b>
Allowance for credit losses - leases	(16,970)	(10,850)
<b>Net investment in leases, after allowance for credit losses</b>	<b>\$ 416,039</b>	<b>\$ 403,210</b>

The following table summarizes the contractual maturities of leases:

(Dollars in thousands)	Balance
Remaining <del>six</del> three months ending December 31, 2024	\$ <del>75,253</del> 49,872
Year ending December 31, 2025	<del>111,531</del> 117,662
Year ending December 31, 2026	<del>101,126</del> 100,690
Year ending December 31, 2027	<del>90,747</del> 94,030
Year ending December 31, 2028	<del>60,600</del> 68,937
Thereafter	<del>44,216</del> 53,735
<b>Lease payments receivable, at amortized cost</b>	<b>\$ <del>483,473</del> 484,926</b>

#### Lessee Arrangements

Peoples leases certain banking facilities and equipment under various agreements with original terms providing for fixed monthly payments over periods generally ranging from two to thirty years. Certain leases may include options to extend or terminate the lease. Only those renewal and termination options which Peoples is reasonably certain of exercising are included in the calculation of the lease liability. Certain leases contain rent escalation clauses calling for rent increases over the term of the lease, which are included in the calculation of the lease liability. At ~~June 30, 2024~~ ~~September 30, 2024~~, Peoples did not have any leases that met the criteria for finance leases. Right of Use ("ROU") assets represent the right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized at the commencement or the remeasurement date of a lease based on the present value of lease payments over the remaining lease

term. Operating lease ROU assets include lease payments made at or before the commencement date and initial indirect costs. Operating lease ROU assets are presented net of any lease incentives. Short-term leases of certain facilities and equipment, with lease terms of 12 months or less, are recognized on a straight-line basis over the lease term and do not have an ROU asset or lease liability.

The table below details Peoples' lease expense, which is included in "Net occupancy and equipment expense" in the Unaudited Consolidated Statements of Operations:

(Dollars in thousands)	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Operating lease expense	\$ 733	\$ 766	\$ 1,468	\$ 1,461
Short-term lease expense	327	322	633	417
Variable lease expense	5	—	5	—
<b>Total lease expense</b>	<b>\$ 1,065</b>	<b>\$ 1,088</b>	<b>\$ 2,106</b>	<b>\$ 1,878</b>
(Dollars in thousands)	September 30, 2024		September 30, 2023	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Operating lease expense	\$ 723	\$ 474	\$ 2,191	\$ 2,262
Short-term lease expense	290	84	923	174
Variable lease expense	42	—	47	—
<b>Total lease expense</b>	<b>\$ 1,055</b>	<b>\$ 558</b>	<b>\$ 3,161</b>	<b>\$ 2,436</b>

Peoples utilizes an incremental borrowing rate to determine the present value of lease payments for each lease, as the lease agreements do not provide an implicit rate. The estimated incremental borrowing rate reflects a secured rate and is based on the term of the lease.

The following table details the ROU assets, the lease liabilities and other information related to Peoples' operating leases at the dates shown:

(Dollars in thousands)	June 30, 2024	December 31, 2023
<b>ROU assets:</b>		
Other assets	\$ 11,237	\$ 11,689
<b>Lease liabilities:</b>		
Accrued expenses and other liabilities	\$ 11,792	\$ 12,080
<b>Other information:</b>		
Weighted-average remaining lease term	9.1 years	9.5 years
Weighted-average discount rate	4.08 %	3.34 %
Additions for ROU assets obtained during the year	\$ 621	\$ 4,428

41

#### [Table of Contents](#)

(Dollars in thousands)	September 30, 2024	December 31, 2023
<b>ROU assets:</b>		
Other assets	\$ 10,629	\$ 11,689
<b>Lease liabilities:</b>		
Accrued expenses and other liabilities	\$ 11,185	\$ 12,080
<b>Other information:</b>		
Weighted-average remaining lease term	9.1 years	9.5 years
Weighted-average discount rate	4.10 %	3.34 %
Additions for ROU assets obtained during the year	\$ 1,130	\$ 4,428

During both the three months ended **June 30, 2024** and 2023, Peoples paid cash of \$0.7 million and \$0.8 million, respectively, for operating leases. During the **six** nine months ended **June 30, 2024** and 2023, Peoples paid cash of **\$1.4** \$2.2 million and **\$1.4** \$2.2 million, respectively, for operating leases.

The following table summarizes the maturity of remaining lease liabilities:

(Dollars in thousands)		Balance
Remaining <b>six</b> three months ending December 31, 2024	\$	<b>1,449</b> 726
Year ending December 31, 2025		2,315
Year ending December 31, 2026		2,027
Year ending December 31, 2027		1,816
Year ending December 31, 2028		1,338
Thereafter		<b>5,401</b> 5,402
<b>Total undiscounted lease payments</b>	<b>\$</b>	<b>14,346</b> 13,624
Imputed interest	\$	<b>(2,554)</b> (2,439)
<b>Total lease liabilities</b>	<b>\$</b>	<b>11,792</b> 11,185

42 43

[Table of Contents](#)

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis ("MD&A") represents an overview of the results of operations and financial condition of Peoples at and for the three months and **six nine** months ended **June 30, 2024** **September 30, 2024** and **June 30, 2023** **September 30, 2023**. This MD&A should be read in conjunction with the Unaudited Condensed Consolidated Financial Statements and the Notes thereto.

Certain statements in this Form 10-Q, which are not historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by the fact they are not historical facts and include words such as "anticipate," "estimate," "may," "feel," "expect," "believe," "plan," "will," "will likely," "would," "should," "could," "project," "goal," "target," "potential," "seek," "intend," "continue," "remain," and similar expressions.

These forward-looking statements reflect management's current expectations based on all information available to management and its knowledge of Peoples' business and operations. Additionally, Peoples' financial condition, results of operations, plans, objectives, future performance and business are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, but are not limited to:

- (1) the effects of interest rate policies, changes in the interest rate environment due to economic conditions and/or the fiscal and monetary policy measures undertaken by the U.S. government and the Federal Reserve Board, including changes in the Federal Funds Target Rate, in response to such economic conditions, which may adversely impact interest rates, the interest rate yield curve, interest margins, loan demand and interest rate sensitivity;
- (2) the effects of inflationary pressures **and the impact of rising interest rates** on borrowers' liquidity and ability to repay;
- (3) the success, impact, and timing of the implementation of Peoples' business strategies and Peoples' ability to manage strategic initiatives, including the interest rate policies of the Federal Reserve Board, the completion and successful integration of acquisitions, and the expansion of commercial and consumer lending activities;
- (4) competitive pressures among financial institutions, or from non-financial institutions, which may increase significantly, including product and pricing pressures, which can in turn impact Peoples' credit spreads, changes to third-party relationships and revenues, changes in the manner of providing services, customer acquisition and retention pressures, and Peoples' ability to attract, develop and retain qualified professionals;
- (5) uncertainty regarding the nature, timing, cost, and effect of legislative or regulatory changes or actions, or deposit insurance premium levels, promulgated and to be promulgated by governmental and regulatory agencies in the State of Ohio, the FDIC, the Federal Reserve Board and the Consumer Financial Protection Bureau, which may subject Peoples, its subsidiaries, or one or more acquired companies to a variety of new and more stringent legal and regulatory requirements;
- (6) the effects of easing restrictions on participants in the financial services industry;
- (7) current and future local, regional, national and international economic conditions (including the impact of persistent inflation, supply chain issues or labor shortages, supply-demand imbalances affecting local real estate prices, high unemployment rates in the local or regional economies in which Peoples operates and/or the U.S. economy generally, an increasing federal government budget deficit, the failure of the federal government to raise the federal debt ceiling, potential or imposed tariffs, **uncertainties surrounding the upcoming U.S. Presidential election and potential changes in the U.S. Senate and House of Representatives**, a U.S. withdrawal from or significant renegotiation of trade agreements, trade wars and other changes in trade regulations, and changes in the relationship of the U.S. and U.S. global trading partners) and the impact these conditions may have on Peoples, Peoples' customers and Peoples' counterparties, and Peoples' assessment of the impact, which may be different than anticipated;
- (8) Peoples may issue equity securities in connection with future acquisitions, which could cause ownership and economic dilution to Peoples' current shareholders;
- (9) changes in prepayment speeds, loan originations, levels of nonperforming assets, delinquent loans, charge-offs, and customer and other counterparties' performance and creditworthiness generally, which may be less favorable than expected in light of recent inflationary pressures and continued elevated interest rates, and may adversely impact the amount of interest income generated;
- (10) Peoples may have more credit risk and higher credit losses to the extent there are loan concentrations by location or industry of borrowers or collateral;
- (11) future credit quality and performance, including expectations regarding future credit losses and the allowance for credit losses;

[Table of Contents](#)

- (12) changes in accounting standards, policies, estimates or procedures may adversely affect Peoples' reported financial condition or results of operations;

[Table of Contents](#)

- (13) the impact of assumptions, estimates and inputs used within models, which may vary materially from actual outcomes, including under the CECL model;
- (14) adverse changes in the conditions and trends in the financial markets, including recent inflationary pressures, which may adversely affect the fair value of securities within Peoples' investment portfolio, the interest rate sensitivity of Peoples' consolidated balance sheet, and the income generated by Peoples' trust and investment activities;
- (15) the volatility from quarter to quarter of mortgage banking income, whether due to interest rates, demand, the fair value of mortgage loans, or other factors;
- (16) Peoples' ability to receive dividends from Peoples' subsidiaries;
- (17) Peoples' ability to maintain required capital levels and adequate sources of funding and liquidity;
- (18) the impact of larger or similar-sized financial institutions encountering problems, such as the failure in 2024 of Republic First Bank, and closures in 2023 of Silicon Valley Bank in California, Signature Bank in New York, and First Republic Bank in California, which may adversely affect the banking industry and/or Peoples' business generation and retention, funding and liquidity, including Peoples' continued ability to grow deposits or maintain adequate deposit levels, and may further result in potential increased regulatory requirements, increased reputational risk and potential impacts to macroeconomic conditions;
- (19) Peoples' ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks, including those of Peoples' third-party vendors and other service providers, which may prove inadequate, and could adversely affect customer confidence in Peoples and/or result in Peoples incurring a financial loss;
- (20) any misappropriation of the confidential information which Peoples possesses could have an adverse impact on Peoples' business and could result in regulatory actions, litigation and other adverse effects;
- (21) Peoples' ability to anticipate and respond to technological changes, and Peoples' reliance on, and the potential failure of, a number of third-party vendors to perform as expected, including Peoples' primary core banking system provider, which can impact Peoples' ability to respond to customer needs and meet competitive demands;
- (22) operational issues stemming from and/or capital spending necessitated by the potential need to adapt to industry changes in information technology systems on which Peoples and Peoples' subsidiaries are highly dependent;
- (23) changes in consumer spending, borrowing and saving habits, whether due to changes in retail distribution strategies, consumer preferences and behavior, changes in business and economic conditions, legislative or regulatory initiatives, or other factors, which may be different than anticipated;
- (24) the adequacy of Peoples' internal controls and risk management program in the event of changes in strategic, reputational, market, economic, operational, cybersecurity, compliance, legal, asset/liability repricing, liquidity, credit and interest rate risks associated with Peoples' business;
- (25) the impact on Peoples' businesses, personnel, facilities, or systems of losses related to acts of fraud, theft, misappropriation or violence;
- (26) the impact on Peoples' businesses, as well as on the risks described above, of various domestic or international widespread natural or other disasters (including severe weather events), pandemics, cybersecurity attacks, system failures, civil unrest, military or terrorist activities or international conflicts (including Russia's war in Ukraine and the ongoing conflicts in the Middle East);
- (27) the potential deterioration of the U.S. economy due to financial, political or other shocks;
- (28) the potential influence on the U.S. financial markets and economy from the effects of climate change, including any enhanced regulatory, compliance, credit and reputational risks and costs;
- (29) the impact on Peoples' businesses and operating results of any costs associated with obtaining rights in intellectual property claimed by others and adequately protecting Peoples' intellectual property;
- (30) risks and uncertainties associated with Peoples' entry into new geographic markets and risks resulting from Peoples' inexperience in these new geographic markets;
- (31) Peoples' ability to integrate the Limestone Merger, which may be unsuccessful, or may be more difficult, time-consuming or costly than expected;

[Table of Contents](#)

- (32) the risk that expected revenue synergies and cost savings from the Limestone Merger, may not be fully realized or realized within the expected time frame;

- (33) changes in laws or regulations imposed by Peoples' regulators impacting Peoples' capital actions, including dividend payments and share repurchases;

[Table of Contents](#)

- (34) the vulnerability of Peoples' network and online banking portals, and the systems of parties with whom Peoples contracts, to unauthorized access, computer viruses, phishing schemes, spam attacks, human error, natural disasters, power loss and other security breaches;
- (35) regulatory and legal matters, including the failure to resolve any outstanding matters on a timely basis and the potential of new regulatory matters, litigation, or other legal actions, which may result in, among other things, additional costs, fines, penalties, restrictions on our business activities, reputational harm, or other adverse consequences;
- (36) Peoples' business may be adversely affected by increased political and regulatory scrutiny of corporate environmental, social and governance ("ESG") practices;
- (36) (37) the effect of a fall in stock market prices on Peoples' asset and wealth management business; and
- (37) (38) other risk factors relating to the banking industry or Peoples as detailed from time to time in Peoples' reports filed with the Securities and Exchange Commission (the "SEC"), including those risk factors included in the disclosures under the heading "ITEM 1A. RISK FACTORS" of Peoples' 2023 Annual Report on Form 10-K. 10-K for the fiscal year ended December 31, 2023. Peoples encourages readers of this Form 10-Q to understand forward-looking statements to be strategic objectives rather than absolute targets of future performance. Peoples undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the filing of this Form 10-Q or to reflect the occurrence of unanticipated events, except as required by applicable legal requirements. Copies of documents filed with the SEC are available free of charge at the SEC's website at <http://www.sec.gov> and/or from Peoples' website – [www.peoplesbancorp.com](http://www.peoplesbancorp.com) under the "Investor Relations" section.

All forward-looking statements speak only as of the filing date of this Form 10-Q and are expressly qualified in their entirety by the cautionary statements. Although management believes the expectations in these forward-looking statements are based on reasonable assumptions within the bounds of management's knowledge of Peoples' business and operations, it is possible that actual results may differ materially from these projections.

This discussion and analysis should be read in conjunction with the Audited Consolidated Financial Statements, and Notes to the Audited Consolidated Financial Statements, contained in Peoples' 2023 Form 10-K, as well as the Unaudited Condensed Consolidated Financial Statements, Notes to the Unaudited Condensed Consolidated Financial Statements, ratios, statistics and discussions contained elsewhere in this Form 10-Q.

#### Business Overview

The following discussion and analysis of Peoples' Unaudited Condensed Consolidated Financial Statements is presented to provide insight into management's assessment of the financial condition and results of operations.

Peoples is a diversified financial services holding company that makes available a complete line of banking, trust and investment, insurance, premium financing and equipment leasing solutions through its subsidiaries. Peoples provides services through traditional offices, automated teller machines ("ATMs"), interactive teller machines ("ITMs"), mobile banking, telephone and internet-based banking. Peoples offers a complete array of insurance products through Peoples Insurance, a subsidiary of Peoples Bank. Brokerage services are offered by Peoples exclusively through an unaffiliated registered broker-dealer located at Peoples Bank's offices. Peoples Bank offers insurance premium finance lending nationwide through its Peoples Premium Finance division. Peoples also offers lease financing through its North Star Leasing division and through Vantage, a subsidiary of Peoples Bank. As of June 30, 2024 September 30, 2024, Peoples had 150 149 locations, including 130 full-service bank branches in Ohio, Kentucky, West Virginia, Virginia, Washington D.C. and Maryland. Peoples Bank is subject to regulation and examination primarily by the Ohio Division of Financial Institutions (the "ODFI"), the FRB of Cleveland and the FDIC. Peoples Bank must also follow the regulations promulgated by the Consumer Financial Protection Bureau (the "CFPB"), which regulates consumer financial products and services and certain financial services providers. Peoples Insurance is subject to regulation by the Ohio Department of Insurance and the state insurance regulatory agencies of those states in which Peoples Insurance may do business.

#### Critical Accounting Policies

The accounting and reporting policies of Peoples conform to US GAAP. The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could materially differ from those estimates. Note 1 of the Notes to the Unaudited Condensed Consolidated Financial Statements describes Peoples' significant accounting policies. Management has identified the accounting policies that, due to the judgments, estimates and assumptions inherent in those policies, are critical to understanding Peoples' Unaudited Condensed Consolidated Financial Statements, and this MD&A at June 30, 2024 September 30, 2024, which have been disclosed in

[Table of Contents](#)

Peoples' 2023 Form 10-K and updated in "Note 1 Summary of Significant Accounting Policies" in the Notes to the Unaudited Condensed Consolidated Financial Statements included in this Form 10-Q. This MD&A should be read in conjunction with the policies disclosed in Peoples' 2023 Form 10-K.

#### Summary of Recent Transactions and Events

The following is a summary of recent transactions and events that have impacted or are expected to impact Peoples' results of operations or financial condition:

- For the first six nine months of 2024, Peoples incurred \$(0.1) \$(0.7) million of acquisition-related expenses compared to \$11.3 \$15.7 million for the first six nine months of 2023. Peoples recorded acquisition-related expenses, primarily related to the Limestone Merger,

[Table of Contents](#)

which included \$(0.1) \$(0.7) million for the first third quarter of 2024 and \$10.7 \$4.4 million for the second third quarter of 2023. There was no such expense for the three months ended June 30, 2024.

- For the second third quarter of 2024, Peoples recorded a provision for credit losses of \$5.7 million \$6.7 million, compared to a provision for credit losses of \$6.1 million \$5.7 million for the linked quarter and a provision for credit losses of \$8.0 million \$4.1 million for the second third quarter of 2023. For the first half nine months of 2024, Peoples recorded a provision for credit losses of \$11.8 million \$18.5 million, compared to a provision for credit losses of \$9.8 million \$13.9 million for 2023. The provision for credit losses for the second third quarter and of 2024 was mainly a result of net charge-offs. The provision for credit losses during the first six nine months of 2024 was mainly the a result of (i) higher net charge-offs, (ii) an increase of in reserves on for individually analyzed loans and leases, (iii) economic forecast deterioration and (iii) (iv) loan growth. For more information, please refer to the section titled "RESULTS OF OPERATIONS - Provision for Credit Losses" found later in this discussion, MD&A.
- On October 25, 2022, Peoples announced the Limestone Merger, a transaction valued at \$177.9 million. The Limestone Merger closed as of the close of business on April 30, 2023. Peoples acquired Limestone's loan portfolio totaling \$1.1 billion, \$1.2 billion of deposits, \$172.7 million of total investment securities, an aggregate of \$99.5 million of short-term and long-term borrowings, and \$93.5 million of total cash and cash equivalents. Peoples also recorded goodwill in the amount of \$68.8 million and other intangible assets of \$27.7 million, which consisted of core deposit intangibles.
- To combat the effects of ongoing inflationary pressures, the Federal Reserve Board increased the Federal Funds Target Rate range to 0.25% to 0.50% beginning on March 16, 2022, and continued to raise rates up to 5.50% on July 27, 2023. This rate remained unchanged until September 2024, at which point the Federal Reserve Board decreased rates by 50 basis points, reducing the rate to 4.75% to 5.00%. The Federal Reserve Board has kept rates unchanged since July 2023 but has signaled that it may begin reducing rates sometime in 2024. future rate reductions continue to be a possibility.

The impact of these transactions and events, where material, is discussed in the applicable sections of this MD&A.

## EXECUTIVE SUMMARY

Peoples reported net income of \$29.0 million \$31.7 million for the second third quarter of 2024, representing earnings per diluted common share of \$0.82 \$0.89. In comparison, Peoples reported net income of \$29.6 million \$29.0 million, representing earnings per diluted common share of \$0.84 \$0.82, for the first second quarter of 2024, and net income of \$21.1 million \$31.9 million, representing earnings per diluted common share of \$0.64 \$0.90, for the second third quarter of 2023. For the six nine months ended June 30, 2024 September 30, 2024, Peoples recorded net income of \$58.6 million \$90.3 million, or \$1.66 \$2.55 per diluted common share, compared to \$47.7 million \$79.5 million, or \$1.56 \$2.47 per diluted common share, for the six nine months ended June 30, 2023 September 30, 2023. Non-core items negatively impacted earnings per diluted common share by \$0.01 for the third quarter of 2024, \$0.02 for the second quarter of 2024, \$0.01 and \$0.16 for the first quarter of 2024, and \$0.28 for the second third quarter of 2023. Non-core items negatively impacted earnings per diluted share by \$0.02 \$0.03 and \$0.37 \$0.52 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

Net interest income was \$86.6 million \$88.9 million for the second third quarter of 2024, which was flat and increased \$2.3 million when to compared to the linked quarter. Net interest margin was 4.18% 4.27% for the second third quarter of 2024, compared to 4.26% 4.18% for the linked quarter. The decrease increase in net interest income and net interest margin was primarily driven by a decrease an increase in accretion income, net of amortization, from our acquisitions and higher borrowing earning asset yields, which were partially offset by higher borrowings costs. Net interest income for the second third quarter of 2024 increased \$1.8 million decreased \$4.4 million, or 2% 5%, compared to the second third quarter of 2023. The decrease in net interest income compared to the third quarter of 2023 was driven by higher funding costs. Net interest margin for the second third quarter of 2024 was 4.18% 4.27% and decreased 36 43 basis points compared to 4.54% 4.70% for the second third quarter of 2023, driven primarily by an increase in interest expense on deposits. For the first six nine months of 2024, net interest income increased \$15.5 million \$11.2 million, or 10% 4%, compared to the first six nine months of 2023, while net interest margin decreased 32 36 basis points to 4.22% 4.24%. The increase in net interest income was driven by increases in market interest rates and an additional four months of income from the Limestone Merger. The decrease in net interest margin for the first six nine months of 2024 compared to the first six nine months of 2023 was primarily driven by higher borrowing costs, which offset higher earning asset yields.

Accretion income, net of amortization expense, from acquisitions was \$8.1 million for the third quarter of 2024, \$5.8 million for the second quarter of 2024 \$6.5 million and \$9.5 million for the first quarter of 2024 and \$4.5 million for the second third quarter of 2023, which added 39 basis points, 28 basis points 32 basis points and 23 48 basis points, respectively, to net interest margin. The decrease increase in accretion income for the second third quarter of 2024 when compared to the linked quarter was driven by lower higher pay-offs. The increase decrease in accretion income for the current quarter compared to the second third quarter of 2023

[Table of Contents](#)

was a result of the accretion from the Limestone Merger. Accretion income, net of amortization expense, from acquisitions was \$12.3 million \$20.3 million for the six nine months ended June 30, 2024 September 30, 2024, compared to \$6.5 million \$15.8 million for the six nine months ended June 30, 2023 September 30, 2023, which added 30 33 and 18 29 basis points, respectively, to net interest margin. The increase in accretion income for the first six nine months of 2024 compared to the same period in 2023 was due to an additional four months of more accretion in 2024 from the Limestone Merger.

The provision for credit losses was \$5.7 million \$6.7 million for the second third quarter of 2024, compared to a provision for credit losses of \$6.1 million \$5.7 million for the linked quarter and a provision for credit losses of \$8.0 million \$4.1 million for the second third quarter of 2023. The provision for credit losses for the third quarter of 2024 was mainly a result of net charge-offs. The provision for credit losses for the second quarter of 2024 was a result of driven by (i) higher net charge-offs, (ii) an increase of reserves for individually analyzed loans and leases, and (iii) loan growth. The provision for credit losses for the first third quarter of 2024 2023 was driven by (i) loan growth, (ii) an increase in net charge-offs, (iii) updates to our prepayment, curtailment and funding rates, and (iv) a deterioration in macro-economic conditions used within the CECL model, (ii) an increase partially offset by



the release of reserves on individually analyzed loans and leases and (iii) loan growth. Net charge-offs for the second third quarter of 2024 were \$4.2 million \$6.1 million, or 0.27% 0.38% of average total loans annualized, compared to net charge-offs of \$3.3 million \$4.2 million, or 0.22% 0.27% of average total loans annualized, for the linked quarter and net charge-offs of

[Table of Contents](#)

\$1.2 million, \$2.3 million, or 0.09% 0.15% of average total loans annualized, for the second third quarter of 2024. 2023. For additional information on credit trends and the allowance for credit losses, see the "FINANCIAL CONDITION - Allowance for Credit Losses" section below.

The provision for credit losses for the first six nine months of 2024 was \$11.8 million \$18.5 million, compared to a provision for credit losses of \$9.8 million \$13.9 million for the first six nine months of 2023. The provision for credit losses for the first six nine months of 2024 was mainly the result of (i) higher net charge-offs, (ii) an increase in reserves for individually analyzed loans and leases and (iii) economic forecast deterioration and (iv) loan growth. The provision for credit losses for the first six nine months of 2023 was driven by (i) the addition of the provision for the non-purchased credit deteriorated loans acquired in the Limestone Merger, (ii) loan growth and (iii) economic forecast deterioration, partially offset by a reduction in the reserves for individually analyzed loans and leases and the use of updated loss drivers. Net charge-offs for the first six nine months of 2024 were \$7.6 million \$13.6 million, or 0.24% 0.29% of average total loans annualized, compared to net charge-offs of \$2.7 million \$5.1 million, or 0.11% 0.12% of average total loans annualized, for the first six nine months of 2023. For additional information on credit trends and the allowance for credit losses, see the "Asset Quality" "FINANCIAL CONDITION - Allowance for Credit Losses" section below.

Net gains and losses include gains and losses on investment securities, asset disposals and other transactions, which are included in total non-interest income on the Consolidated Statements of Operations. The net loss realized during the second third quarter of 2024 was \$0.8 \$0.9 million, compared to a net loss of \$0.3 \$0.8 million for the linked quarter and a net loss of \$1.8 \$0.3 million for the second third quarter of 2023. The net loss for the third quarter of 2024, the second quarter of 2024, and the third quarter of 2023 was due driven primarily by net losses on repossessed assets of \$0.5 million, \$0.4 million and \$0.3 million, respectively. The net loss realized during the first nine months of 2024 was \$2.0 million, compared to \$0.4 million \$4.3 million for the first nine months of 2023. The net loss for the first nine months of 2024 was driven by \$1.3 million of net losses on repossessed assets. The net loss for the linked quarter was due to \$0.3 million of net losses on repossessed assets. The net loss for the second quarter of 2023 was primarily driven by a \$1.6 million write-down of an OREO property due to a potential sale of the property. The net loss realized during the first six months of 2024 was \$1.1 million, compared to \$4.0 million for the first six months of 2023. The net loss for the first six months of 2024 was driven by the \$0.7 million of net losses on repossessed assets mentioned above. The net loss for the first six nine months of 2023 was primarily driven by a \$2.0 million pre-tax net loss on the sale of available-for-sale investment securities and the \$1.6 million writedown of an OREO property. During the OREO property mentioned above, first nine months of 2024, Peoples sold \$96.7 million of its lower yielding available-for-sale investment securities, with proceeds from the sale used to pay down overnight borrowings.

Total non-interest income, excluding net gains and losses, for the second third quarter of 2024 decreased \$1.6 increased \$1.2 million compared to the linked quarter. The decrease increase in non-interest income, excluding net gains and losses, was primarily due to impacted by increases of \$0.8 million in mortgage banking income and \$0.7 million in lease income, partially offset by a decrease of \$2.4 million \$0.6 million in bank-owned life insurance income due primarily to seasonal performance-based commissions being paid in the first quarter of each year. Partially offsetting the decrease was an increase of \$0.4 million in each of electronic banking income and trust and investment income. ("BOLI"). Compared to the second third quarter of 2023, total non-interest income, excluding net gains and losses, increased \$1.6 \$2.1 million, primarily due to a \$1.1 million \$1.9 million increase in other non-interest lease income, driven by operating lease a \$0.8 million increase in mortgage banking income, and a \$0.6 million increase in trust and investment income, partially offset by a \$0.9 million decrease of \$0.6 million in lease BOLI income. The other increases for the second third quarter of 2024, when compared to the second third quarter of 2023, were primarily due to the additional customers brought gains on early terminations on leases that paid off, higher production in from the Limestone Merger mortgage banking, and increases of an increase in trust and investment income driven by an increase in assets under administration and management.

For the first six nine months of 2024, total non-interest income, excluding gains and losses, increased \$6.5 \$8.7 million, or 15% 13%, compared to the first six nine months of 2023. The increase was driven by (i) a \$2.1 million \$2.0 million increase in other non-interest income, driven by operating lease income, (ii) a \$1.2 million increase in insurance income, (iii) a \$1.1 million \$1.7 million increase in trust and investment income driven by increases in assets under administration and management, (iii) a \$1.4 million increase in lease income driven by gains on terminated leases, (iv) a \$1.0 million \$1.2 million increase in bank owned life insurance income driven by higher contingency income and market increases for premiums, (v) a \$0.9 million increase in deposit account service charge income, and (vi) a \$0.6 million \$0.9 million increase in electronic mortgage banking income, offset by a decrease of \$0.4 million in lease income. The other increases for the first six months of 2024, when compared to the first six months of 2023, were primarily due to the additional customers brought in from the Limestone Merger, increases of assets under management, higher insurance performance-based commission, and market increases for insurance premiums.

Total non-interest expense increased \$0.3 million decreased \$2.7 million, or 4%, for the three months ended June 30, 2024 September 30, 2024, compared to the linked quarter. The increase decrease in total non-interest expense was primarily due to increases decreases of \$2.2 million \$2.9 million in other non-interest expense, driven by a one-time \$1.3 million true-up of \$1.3 million of corporate expenses recorded in the linked quarter, and \$1.0 million a decrease of \$0.6 million in data processing and software expense driven by higher expenses attributable to recent technology projects, partially offset by a decrease of \$2.3 million in salaries and employee benefit costs. The decrease in salaries and employee benefit costs was due to anticipated annual expenses that occur in the first quarter of each year including stock-based compensation expenses attributable to retirement-eligible employees and health savings account ("HSA") contributions. expense.

Compared to the second third quarter of 2023, total non-interest expense decreased \$1.9 million \$5.6 million, or 3% 8%. The decrease in total non-interest expense was primarily due to acquisition-related expenses in the third quarter of 2023. Excluding acquisition-related expenses, non-

[Table of Contents](#)

interest expenses decreased \$0.5 million, or 1%, primarily due to a decrease of \$2.7 million in other non-interest expense, partially offset by an increase of \$1.1 million in data processing and software expense.



For the nine months ended September 30, 2024, total non-interest expense increased \$4.5 million, or 2%, compared to the first nine months of 2023. Excluding acquisition-related expenses, non-interest expenses increased \$8.8 million \$21.0 million, or 15% 11%, primarily due to increases of \$3.6 million \$11.6 million in salaries and employee benefit costs due to additional employees added in the Limestone Merger, \$4.4 million and \$2.0 million data processing and software expense due to recent technology projects.

For the six months ended June 30, 2024, total non-interest expense increased \$10.1 million, or 8%, compared to the first six months of 2023. Excluding acquisition-related expenses, non-interest expenses increased \$21.5 million, or 19%, primarily due to increases of \$10.5 million in salaries and employee benefit costs due to additional employees added in the Limestone Merger, \$3.2 million and \$2.1 million \$2.5 million in data processing and software expense and in net occupancy and equipment expense, respectively, due to recent technology projects and growth, included including through acquisitions.

47

## Table of Contents

The table below summarizes the amount of acquisition-related expenses for each line item that is a component of non-interest expense. This information is used by Peoples to provide information useful to investors in understanding Peoples' operating performance and trends.

	Three Months Ended			Six Months Ended	
	June 30,	March 31,	June 30,	June 30,	
(Dollars in thousands)	2024	2024	2023	2024	2023
<a href="#">Table of Contents</a>					
<b>Non-interest expense:</b>					
Salaries and employee benefit costs	\$ 36,564	\$ 38,893	\$ 38,025	\$ 75,457	\$ 70,053
Net occupancy and equipment expense	6,142	6,283	5,380	12,425	10,335
Professional fees	September 30, 2,935	June 30, 2,967	September 30, 7,438	September 30, 5,902	10,319
(Dollars in thousands)	2024	2024	2023	2024	2023
Data processing and software expense	6,743	5,769	4,728	12,512	9,290
<b>Non-interest expense:</b>					
Amortization of other intangible assets	2,787	2,788	2,800	5,575	4,671
Electronic banking expense	\$ 37,081	\$ 36,564	\$ 36,808	\$ 13,542	\$ 106,653
Marketing expense	5,905	6,142	1,550	19,330	15,889
Professional fees	2,896	2,936	1,466	8,798	13,265
FDIC insurance premiums	1,251	1,186	672	2,437	1,598
Data processing and software expense	6,146	6,743	6,288	18,623	15,598
Franchise tax expense	2,786	2,787	3,280	1,361	7,951
Amortization of other intangible assets	2,786	2,787	3,280	1,361	7,951
Electronic banking expense	1,941	1,941	536	5,566	5,159
Other loan expenses	1,036	1,036	256	2,120	1,133
Marketing expense	7,182	6,886	5,125	12,168	10,559
Other non-interest expense	1,241	1,251	1,260	3,678	3,525
FDIC insurance premiums	66,758	66,465	70,823	137,223	127,162
Franchise tax expense	917	760	772	2,558	2,678
<b>Acquisition-related non-interest expense:</b>					
Communication expense	814	736	512	2,349	2,089
Salaries and employee benefit costs	—	—	—	16	5,196
Net occupancy and equipment expense	1,178	1,036	256	3,290	2,133
Other non-interest expense	4,342	7,182	4,812	16,510	19,859
Professional fees	—	(38)	—	(38)	5,163
Total non-interest expense	66,090	68,758	71,696	203,313	198,798
Data processing and software expense	—	(18)	1	(18)	—
<b>Acquisition-related non-interest expense:</b>					
Electronic banking expense	—	(100)	115	(100)	115
Salaries and employee benefit costs	—	—	52	16	5,798
Marketing expense	—	—	—	—	31
Net occupancy and equipment expense	—	—	1	—	—
Other loan expenses	—	—	2	—	—
Professional fees	—	—	29	(8)	5,842
Data processing and software expense	—	—	29	(8)	—
Total acquisition-related non-interest expense	—	(784)	10,789	(818)	11,280
Electronic banking expense	—	—	—	(100)	115
<b>Non-interest expense excluding acquisition-related expense:</b>					
Marketing expense	36,564	38,877	32,900	75,441	64,967
Salaries and employee benefit costs	—	—	—	—	—
Communication expense	6,142	6,283	5,360	12,425	10,306
Net occupancy and equipment expense	—	—	—	—	—
Other loan expenses	2,935	3,005	2,626	5,940	5,216
Professional fees	(662)	—	—	(616)	—
Other non-interest expense	6,743	5,787	4,727	12,530	9,289
Data processing and software expense	—	—	—	—	—
Total acquisition-related non-interest expense	(662)	—	—	(616)	—
Amortization of other intangible assets	(662)	2,788	2,800	5,575	15,894
<b>Non-interest expense excluding acquisition-related expense:</b>					
Electronic banking expense	1,941	1,881	1,717	3,822	3,208
Salaries and employee benefit costs	37,081	36,564	36,808	11,727	109,953
Marketing expense	5,905	6,142	1,549	19,330	15,885
Net occupancy and equipment expense	5,905	6,142	1,549	19,330	15,885
Professional fees	2,896	2,936	1,466	8,798	13,265
FDIC insurance premiums	1,251	1,186	672	2,437	1,598
Data processing and software expense	6,146	6,743	6,288	18,623	15,598
Franchise tax expense	2,786	2,787	3,280	1,361	7,951
Amortization of other intangible assets	2,786	2,787	3,280	1,361	7,951

Interest expense	1,406	1,407	536	2,566	5,046
Directing expense	782	684	4,829	12,288	9,493
Financial expense excluding acquisition-related expense	\$ 58,758	\$ 68,758	\$ 59,126	\$ 137,367	\$ 118,823
Franchise tax expense	917	760	772	2,558	2,678
Communication expense	814	736	751	2,349	2,088
Other loan expenses	1,178	1,036	856	3,290	2,132
Other non-interest expense	5,004	7,182	7,707	17,126	16,904
Total non-interest expense excluding acquisition-related expense	\$ 66,752	\$ 68,758	\$ 67,262	\$ 204,059	\$ 183,104

48 50

## Table of Contents

The efficiency ratio for the second third quarter of 2024 was 59.2% 55.1%, compared to 58.1% 59.2% for the linked quarter, and 62.8% 58.4% for the second third quarter of 2023. The improvement in the efficiency ratio compared to the prior year quarter was largely a result of a decrease in acquisition-related expenses. The efficiency ratio, adjusted for non-core items, was 59.2% 55.7% for the second third quarter of 2024, compared to 58.1% 59.2% for the linked quarter and 53.3% 52.5% for the second third quarter of 2023. The efficiency ratio and the adjusted efficiency ratio for non-core items increased improved compared to the linked quarterly mainly as a result of a reduction in non-interest expense and an increase in net interest income. The efficiency ratio for the first six nine months of 2024 was 58.6% 57.4%, compared to 60.4% 59.7% for the first six nine months of 2023. The efficiency ratio improved compared to the prior year first six nine months due to the decrease in acquisition-related expenses. The efficiency ratio, adjusted for non-core items, was 58.7% 57.7% for the first six nine months of 2024, compared to 55.2% 54.2% for the first six nine months of 2023. Peoples continues to focus on controlling expenses, while recognizing necessary costs in order to continue growing the business.

Peoples recorded income tax expense of \$9.2 million with an effective tax rate of 22.5% for the third quarter of 2024, compared to income tax expense of \$6.9 million with an effective tax rate of 19.1% for the second quarter of 2024, compared to income tax expense of \$8.3 million with an effective tax rate of 21.8% for the linked quarter, and income tax expense of \$6.2 million \$8.8 million with an effective tax rate of 22.6% 21.7% for the second third quarter of 2023. The decrease increase in income tax expense for the second third quarter of 2024 compared to the linked quarter was driven by a \$1.1 million one-time benefit recognized in the second quarter of 2024 related to a prior year amended return, return and higher pre-tax income. Peoples recorded income tax expense of \$15.1 million \$24.3 million with an effective tax rate of 20.5% 21.2% for the first six nine months of 2024 and \$13.2 million \$22.1 million with an effective tax rate of 21.7% for the first six nine months of 2023. The increase was driven by higher pre-tax income.

At June 30, 2024 September 30, 2024, total assets were \$9.23 billion \$9.14 billion, compared to \$9.27 billion \$9.23 billion at March 31, 2024 June 30, 2024, \$9.16 billion at December 31, 2023 and \$8.79 billion \$8.94 billion at June 30, 2023 September 30, 2023. Total assets at June 30, 2024 September 30, 2024 decreased when compared to at March 31, 2024 June 30, 2024 primarily due to a decrease in interest-bearing deposits in other banks, loans and investment securities, partially offset by increases an increase in loans cash and investment securities, cash equivalents. The period-end total loan and lease balances at June 30, 2024 increased \$122.5 million September 30, 2024 decreased \$53.5 million, or 8% 3% annualized, compared to at March 31, 2024 June 30, 2024. The increase decrease in the period-end total loan and lease balances was primarily driven by increases decreases of (i) \$54.4 million \$20.5 million in premium finance construction loans, (ii) \$43.4 million \$15.5 million in other commercial real estate loans, (iii) \$11.8 million in residential real estate loans, and (iv) \$7.9 million in commercial and industrial loans, (iii) \$25.9 million in construction loans, and (iv) \$24.8 million in indirect consumer loans, partially offset by a reduction an increase of \$47.8 million \$5.5 million in other commercial real estate loans, home equity lines of credit. Total assets at June 30, 2024 increased September 30, 2024 decreased compared to December 31, 2023 due to increases of \$166.2 million in total loans and leases and \$88.5 million in investment securities, partially offset by a decrease of \$190.9 million \$143.0 million in total cash and cash equivalents, equivalents, partially offset by an increase of \$112.6 million in loans and leases. Total assets at June 30, 2024 September 30, 2024 increased compared to June 30, 2023 September 30, 2023 due to an increase of \$350.8 million \$187.4 million in total loans and leases. The period-end loan and lease balance at June 30, 2024 increase compared increased from September 30, 2023 to June 30, 2023 was September 30, 2024 primarily driven by as a result of organic growth in our premium finance, other commercial real estate, commercial and industrial, premium finance, and lease portfolios of \$130.1 million \$121.3 million, \$124.5 million, \$97.8 million, \$97.7million, and \$52.9 million \$30.4 million, respectively.

Total liabilities were \$8.15 billion \$8.02 billion at June 30, 2024 September 30, 2024, down from \$8.21 billion \$8.15 billion at March 31, 2024 June 30, 2024 and \$8.10 billion at December 31, 2023, and \$7.79 billion up from \$7.95 billion at June 30, 2023 September 30, 2023. The decrease in total liabilities when compared to at March 31, 2024 June 30, 2024 was primarily due to a decrease of \$28.8 million \$306.8 million in short-term borrowings, partially offset by an increase of \$185.4 million in period-end total deposits. The decrease was primarily driven by decreases of (i) \$70.8 million in brokered CDs, (ii) \$58.8 million in governmental deposit accounts, and (iii) \$24.2 million in interest-bearing demand deposit accounts, partially offset by an increase of \$132.5 million in retail CDs. The increase in retail CDs was due to current specials being offered, while the decrease in governmental deposit accounts was due to the seasonality of those balances, which are typically higher in the first quarter. Excluding a decrease in brokered CDs of \$70.8 million, core deposits were up \$42.0 million compared to the linked quarter, driven by the aforementioned increase in retail CDs and higher money market deposit accounts. The increase in total liabilities when compared to at December 31, 2023 was primarily due to increases a decrease of \$369.5 million \$425.2 million in retail CDs and \$93.7 million in money market deposit accounts, short-term borrowings, partially offset by decreases an increase of (i) \$162.8 million \$330.9 million in brokered deposits, (ii) \$95.0 million in non-interest bearing deposits, and (iii) \$60.8 million in interest-bearing demand deposit accounts, total period end deposits. The increase in total liabilities when compared to at June 30, 2023 September 30, 2023 was primarily due to a \$337.9 million \$445.6 million increase in period in deposits, deposits, partially offset by a decrease of \$409.5 million in short-term borrowings. The increase in deposits was primarily driven by increases of \$862.1 million \$685.4 million in retail CDs, \$150.5 million certificates of deposit, \$163.8 million in money market deposit accounts, and \$60.7 million \$62.5 million in governmental deposit accounts, partially offset by decreases of \$236.1 million \$122.2 million, \$209.9 million \$115.6 million, \$147.3 million \$115.2 million, and \$142.1 million \$113.0 million in savings accounts, non-interest bearing deposits, brokered CDs, and interest-bearing demand deposit accounts and brokered certificates of deposit, respectively. The increase in retail CDs certificates of deposits was driven by current promotions being offered, promotional offerings.

Total stockholders' equity at June 30, 2024 September 30, 2024 increased by \$15.8 \$47.1 million compared to at March 31, 2024 June 30, 2024, which was primarily due to net income for the second third quarter of 2024 of \$29.0 \$31.7 million and a decrease of \$27.7 million in accumulated other comprehensive loss, partially offset by dividends paid of \$14.2 million. Accumulated unrealized losses related to the available-for-sale investment securities portfolio were \$110.2 million \$83.7 million and \$111.8 million \$112.7 million at June 30, 2024 September 30, 2024 and at March 31, 2024 June 30, 2024, respectively. Total stockholders' equity at June 30, 2024 September 30, 2024 increased by \$24.3 million \$71.6 million compared to at December 31, 2023, which was primarily due to net income of \$58.6 million \$90.3 million for the first six nine months of 2024 and a decrease of

\$19.1 million in accumulated other comprehensive loss, partially offset by dividends paid of \$27.9 million. Total stockholders' equity at June 30, 2024 increased by \$78.9 million compared to at June 30, 2023 \$42.1 million. The increase in total stockholders' equity at June 30, 2024 September 30, 2024 when compared to at June 30, 2023 September 30, 2023 was impacted by net income of \$124.3 million \$124.1 million in the last twelve months and a decrease in accumulated other comprehensive loss of \$8.7 million \$61.3 million, partially offset by dividends paid of \$55.9 million \$56.2 million.

49 51

[Table of Contents](#)

RESULTS OF OPERATIONS

Net Interest Income

Net interest income, the amount by which interest income exceeds interest expense, remains Peoples' largest source of revenue. The amount of net interest income earned by Peoples each quarter is affected by various factors, including changes in market interest rates due to the Federal Reserve's monetary policy, the level and degree of pricing competition for loans and deposits in Peoples' markets, and the amount and composition of Peoples' earning assets and interest-bearing liabilities.

Net interest margin, which is calculated by dividing fully tax-equivalent ("FTE") net interest income by average interest-earning assets, serves as an important measurement of the net revenue stream generated by the volume, mix and pricing of interest-earning assets and interest-bearing liabilities. FTE net interest income is calculated by increasing interest income to convert tax-exempt income earned on obligations of states and political subdivisions and tax-exempt loans to the pre-tax equivalent of taxable income using a federal statutory corporate income tax rate of 21% for the three and nine months ended June 30, 2024 September 30, 2024, for the three months ended March 31, 2024 June 30, 2024 and for the three and six nine months ended June 30, 2023 September 30, 2023.

The following table details the calculation of FTE net interest income:

	Three Months Ended			Six Months Ended		Three Months Ended			Nine Months Ended	
	June 30, March 31, June 30,			June 30,		September 30, June 30, September 30,			September 30,	
(Dollars in thousands)	(Dollars in thousands)	2024	2024	2023	2024	2023	September 30, 2023	2024	2024	2023
Net interest income										
Taxable equivalent adjustment										
FTE net interest income										

50 52

[Table of Contents](#)

The following tables detail Peoples' average balance sheets for the periods presented:

(Dollars in thousands)
(Dollars in thousands)
(Dollars in thousands)
Short-term investments
Short-term investments
Short-term investments
Investment securities (a)(b):
Investment securities (a)(b):
Investment securities (a)(b):
Taxable
Taxable
Taxable
Nontaxable
Nontaxable

Nontaxable
Total investment securities
Total investment securities
Total investment securities
Loans (b)(c):
Loans (b)(c):
Loans (b)(c):
Construction
Construction
Construction
Commercial real estate, other
Commercial real estate, other
Commercial real estate, other
Commercial and industrial
Commercial and industrial
Commercial and industrial
Premium finance
Premium finance
Premium finance
Leases
Leases
Leases
Residential real estate (d)
Residential real estate (d)
Residential real estate (d)
Home equity lines of credit
Home equity lines of credit
Home equity lines of credit
Consumer, indirect
Consumer, indirect
Consumer, indirect
Consumer, direct
Consumer, direct
Consumer, direct
Total loans
Total loans
Total loans
Allowance for credit losses
Allowance for credit losses
Allowance for credit losses
Net loans
Net loans
Net loans
Total earning assets
Total earning assets
Total earning assets
Goodwill and other intangible assets
Goodwill and other intangible assets
Goodwill and other intangible assets
Other assets
Other assets

Other assets
Total assets
Total assets
Total assets
Interest-bearing deposits:
Interest-bearing deposits:
Interest-bearing deposits:
Savings accounts
Savings accounts
Savings accounts
Governmental deposit accounts
Governmental deposit accounts
Governmental deposit accounts
Interest-bearing demand accounts
Interest-bearing demand accounts
Interest-bearing demand accounts
Money market accounts
Money market accounts
Money market accounts
Retail CDs
Retail CDs
Retail CDs
Brokered CDs (e)
Brokered CDs (e)
Brokered CDs (e)
Total interest-bearing deposits
Total interest-bearing deposits
Total interest-bearing deposits
Borrowed funds:
Borrowed funds:
Borrowed funds:
Short-term FHLB advances (e)
Short-term FHLB advances (e)
Short-term FHLB advances (e)
Repurchase agreements and other
Repurchase agreements and other
Repurchase agreements and other
Total short-term borrowings
Total short-term borrowings
Total short-term borrowings
Long-term FHLB advances
Long-term FHLB advances
Long-term FHLB advances
Long-term notes payable
Long-term notes payable
Long-term notes payable
Other long-term borrowings (f)
Other long-term borrowings (f)
Other long-term borrowings (f)
Total long-term borrowings
Total long-term borrowings
Total long-term borrowings

Total borrowed funds
Total borrowed funds
Total borrowed funds
Total interest-bearing liabilities
Total interest-bearing liabilities
Total interest-bearing liabilities
Non-interest-bearing deposits
Non-interest-bearing deposits
Non-interest-bearing deposits
Other liabilities
Other liabilities
Other liabilities
Total liabilities
Total liabilities
Total liabilities
Total stockholders' equity
Total stockholders' equity
Total stockholders' equity
Total liabilities and stockholders' equity
Total liabilities and stockholders' equity
Total liabilities and stockholders' equity
Interest rate spread (b)
Interest rate spread (b)
Interest rate spread (b)
Net interest margin (b)
Net interest margin (b)
Net interest margin (b)

5153

[Table of Contents](#)

		For the Six Months Ended										For the Nine Months Ended					
(Dollars in thousands)	(Dollars in thousands)	June 30, 2024						June 30, 2023				(Dollars in thousands)	September 30, 2024				
		Average Balance	Income/Expense		Yield/Cost		Average Balance	Income/Expense		Yield/Cost	Average Balance		Income/Expense				
Short-term investments	Short-term investments	\$ 160,238		4,424	5.55	5.55 %	\$ 47,008		1,062	4.56	4.56 %	Short-term investments	\$ 125,720		5,377		
Investment securities (a)(b):																	
Investment securities (a)(b):																	
Investment securities (a)(b):																	
Taxable																	
Taxable																	
Taxable		1,671,453	28,850	28,850	3.45	3.45 %	1,635,773	23,863	23,863	2.92	2.92 %	1,685,945	43,997	43,997	3.48	3.48	
Nontaxable	Nontaxable	180,032	2,528	2,528	2.81	2.81 %	195,562	2,684	2,684	2.74	2.74 %	Nontaxable	181,058	3,778	3,778		
Total investment securities	Total investment securities	1,851,485	31,378	31,378	3.39	3.39 %	1,831,335	26,547	26,547	2.90	2.90 %	Total investment securities	1,867,003	47,775	47,775		
Loans (b)(c):																	
Construction																	

Construction																	
Construction		334,196	12,998	12,998	7.69	7.69 %	300,270	10,454	10,454	6.92	6.92 %	333,048	19,652	19,652		7.75	7.75
Commercial real estate, other	Commercial real estate, other	2,075,468	73,662	73,662	7.02	7.02 %	1,538,771	48,034	48,034	6.21	6.21 %	Commercial real estate, other	2,066,631		111,302	111,302	
Commercial and industrial	Commercial and industrial	1,216,743	47,412	47,412	7.71	7.71 %	975,633	34,165	34,165	6.96	6.96 %	Commercial and industrial	1,229,491		72,142	72,142	
Premium finance	Premium finance	235,459	10,310	10,310	8.66	8.66 %	151,244	4,809	4,809	6.32	6.32 %	Premium finance	253,383		16,362	16,362	
Leases	Leases	414,817	24,049	24,049	11.47	11.47 %	350,845	19,919	19,919	11.29	11.29 %	Leases	418,084		35,970	35,970	
Residential real estate (d)	Residential real estate (d)	928,309	22,782	22,782	4.91	4.91 %	881,514	20,535	20,535	4.66	4.66 %	Residential real estate (d)	925,756		34,892	34,892	
Home equity lines of credit	Home equity lines of credit	221,053	8,909	8,909	8.10	8.10 %	184,337	6,622	6,622	7.24	7.24 %	Home equity lines of credit	224,648		13,745	13,745	
Consumer, indirect	Consumer, indirect	656,324	18,950	18,950	5.81	5.81 %	646,045	15,173	15,173	4.74	4.74 %	Consumer, indirect	664,610		29,322	29,322	
Consumer, direct	Consumer, direct	121,569	4,194	4,194	6.94	6.94 %	116,377	3,985	3,985	6.91	6.91 %	Consumer, direct	121,359		6,465	6,465	
Total loans	Total loans	6,203,938	223,266	223,266	7.14	7.14 %	5,145,036	163,696	163,696	6.35	6.35 %	Total loans	6,237,010		339,852	339,852	
Allowance for credit losses																	
Net loans																	
Net loans																	
Net loans		6,140,948	223,266	223,266	7.22	7.22 %	5,091,984	163,696	163,696	6.41	6.41 %	6,172,958	339,852	339,852		7.26	7.26
Total earning assets	Total earning assets	8,152,671	259,068	259,068	6.32	6.32 %	6,970,327	191,305	191,305	5.49	5.49 %	Total earning assets	8,165,681		393,004	393,004	
Goodwill and other intangible assets																	
Other assets																	
Other assets																	
Other assets																	
Total assets																	
Total assets																	
Total assets																	
Interest-bearing deposits:																	
Interest-bearing deposits:																	
Interest-bearing deposits:																	
Savings accounts																	
Savings accounts																	
Savings accounts		\$ 899,089	\$	448	0.10	0.10 %	\$ 1,071,174	\$	719	0.14	0.14 %	\$ 899,629	\$	675		0.10	0.10
Governmental deposit accounts	Governmental deposit accounts	779,906	10,679	10,679	2.75	2.75 %	666,683	3,396	3,396	1.03	1.03 %	Governmental deposit accounts	795,019		16,639	16,639	
Interest-bearing demand accounts	Interest-bearing demand accounts	1,102,293	947	947	0.17	0.17 %	1,142,648	712	712	0.13	0.13 %	Interest-bearing demand accounts	1,092,407		1,538	1,538	
Money market accounts	Money market accounts	817,567	10,307	10,307	2.54	2.54 %	632,561	2,831	2,831	0.90	0.90 %	Money market accounts	829,825		15,917	15,917	
Retail CDs	Retail CDs	1,662,832	34,323	34,323	4.15	4.15 %	702,809	5,959	5,959	1.71	1.71 %	Retail CDs	1,730,818		54,472	54,472	
Brokered CDs (e)	Brokered CDs (e)	525,653	12,259	12,259	4.69	4.69 %	353,760	6,447	6,447	3.68	3.68 %	Brokered CDs (e)	486,832		16,972	16,972	
Total interest-bearing deposits	Total interest-bearing deposits	5,787,340	68,963	68,963	2.40	2.40 %	4,569,635	20,064	20,064	0.89	0.89 %	Total interest-bearing deposits	5,824,530		106,213	106,213	

Borrowed funds:																
Short-term FHLB advances (e)																
Short-term FHLB advances (e)																
Short-term FHLB advances (e)		167,525	4,582	4,582	5.50	5.50 %	382,677	9,252	9,252	4.88	4.88 %	156,666	6,452	6,452	5.50	5.50
Repurchase agreements and other	Repurchase agreements and other	230,527	4,580	4,580	3.97	3.97 %	99,966	520	520	1.04	1.04 %	Repurchase agreements and other	214,760	6,760	6,760	
Total short-term borrowings	Total short-term borrowings	398,052	9,162	9,162	4.62	4.62 %	482,643	9,772	9,772	4.08	4.08 %	Total short-term borrowings	371,426	13,212	13,212	
Long-term FHLB advances	Long-term FHLB advances	129,255	2,557	2,557	3.98	3.98 %	33,916	409	409	2.43	2.43 %	Long-term FHLB advances	130,246	3,886	3,886	
Long-term notes payable																
Long-term notes payable																
Long-term notes payable		49,291	1,704	1,704	6.91	6.91 %	47,557	1,201	1,201	5.05	5.05 %	48,890	2,547	2,547	6.95	6.95
Other long-term borrowings (f)	Other long-term borrowings (f)	54,071	2,724	2,724	9.97	9.97 %	33,902	1,390	1,390	8.15	8.15 %	Other long-term borrowings (f)	54,207	3,959	3,959	
Total long-term borrowings	Total long-term borrowings	232,617	6,985	6,985	5.99	5.99 %	115,375	3,000	3,000	5.19	5.19 %	Total long-term borrowings	233,343	10,392	10,392	
Total borrowed funds	Total borrowed funds	630,669	16,147	16,147	5.12	5.12 %	598,018	12,771	12,771	4.30	4.30 %	Total borrowed funds	604,769	23,604	23,604	
Total interest-bearing liabilities	Total interest-bearing liabilities	6,418,009	85,110	85,110	2.66	2.66 %	5,167,653	32,836	32,836	1.28	1.28 %	Total interest-bearing liabilities	6,429,299	129,817	129,817	
Non-interest-bearing deposits																
Other liabilities																
Other liabilities																
Other liabilities																
Total liabilities																
Total liabilities																
Total liabilities																
Total stockholders' equity																
Total stockholders' equity																
Total stockholders' equity																
Total liabilities and stockholders' equity																
Total liabilities and stockholders' equity																
Total liabilities and stockholders' equity																
Interest rate spread (b)																
Interest rate spread (b)																
Interest rate spread (b)		\$	173,958	3.66	3.66 %		\$	158,469	4.21	4.21 %		\$	263,187			
Net interest margin (b)	Net interest margin (b)					4.22 %										

- (a) Average balances are based on carrying value.
- (b) Interest income and yields are presented on a fully tax-equivalent basis, using a 21% statutory federal corporate income tax rate.



- 5254

Residential real estate					
Home equity lines of credit					
Consumer, indirect					
Consumer, direct					
Total loan income					
Total interest income					
INTEREST EXPENSE:	INTEREST EXPENSE:			INTEREST EXPENSE:	
Deposits:	Deposits:			Deposits:	
Savings accounts					
Interest-bearing demand accounts					
Money market accounts					
Governmental deposit accounts					
Retail CDs					
Brokered CDs					
Total deposit cost					
Borrowed funds:	Borrowed funds:			Borrowed funds:	
Short-term borrowings					
Long-term borrowings					
Total borrowed funds cost					
Total interest expense					
FTE net interest income					

(a) The change in interest due to both rate and volume has been allocated to rate and volume changes in proportion to the relationship of the dollar amounts of the change in each.

(b) Interest income and yields are presented on a fully tax-equivalent basis, using a 21% statutory federal corporate income tax rate.

Compared Net interest income was \$88.9 million for the third quarter of 2024 and increased \$2.3 million when compared to the linked quarter, net interest income was relatively flat for the second quarter of 2024. quarter. Net interest margin was 4.18% 4.27% for the second third quarter of 2024, compared to 4.26% 4.18% for the linked quarter. The decrease increase in net interest margin was primarily

interest income and net interest margin was primarily driven by a decrease an increase in accretion income, net of amortization, from our acquisitions and higher borrowing costs, which offset higher earning asset yields.

Net interest income for the second third quarter of 2024 grew 2% decreased 5% over the prior year quarter and net interest margin decreased by 36 43 basis points. The increase decrease in net interest income compared to the second third quarter of 2023 was driven by increases in market interest rates, the Limestone Merger, and organic growth, higher funding costs. The decrease in net interest margin for the second third quarter of 2024 compared to the second third quarter of 2023, was driven primarily by an increase in interest expense rates on deposits.

For the first six nine months of 2024, net interest income increased \$15.5 million \$11.2 million, or 10% 4%, compared to the first six nine months of 2023, while net interest margin decreased 32 36 basis points to 4.22% 4.24%. The increase in net interest income was driven by increases in market interest rates and an additional four months of income from the Limestone Merger. The decrease in net interest margin for the first six nine months of 2024 compared to the first six nine months of 2023 was primarily driven by higher borrowing costs, the full year impact of assets added in the Limestone Merger, which offset higher earning asset yields.

Accretion income, net of amortization expense, from acquisitions was \$5.8 million \$8.1 million for the second third quarter of 2024, \$6.5 million \$5.8 million for the linked quarter and \$4.5 million \$9.5 million for the second third quarter of 2023, which added 39 basis points, 28 basis points 32 basis points and 23 48 basis points, respectively, to net interest margin. The decrease increase in accretion income for the second third quarter of 2024, when compared to the linked quarter was driven by lower loan pay-offs, higher payoffs. The increase decrease in accretion income for the second third quarter of 2024 compared to the second third quarter of 2023 was a result of lower accretion from the Limestone Merger. For the first half nine months of 2023, 2024, accretion income totaled \$12.3 million \$20.3 million and added 30 33 basis points to net interest margin compared to \$6.5 million \$15.8 million and 18 29 basis points for the first half nine months of 2023. The increase in accretion income for the first six nine months of 2024 compared to the same period in 2023 was due to more accretion in 2024 from the Limestone Merger.

Additional information regarding changes in the Unaudited Consolidated Balance Sheets can be found under appropriate captions of the "FINANCIAL CONDITION" section of this MD&A. Additional information regarding Peoples' interest rate risk and the potential impact of interest rate changes on Peoples' results of operations and financial condition can be found later in this MD&A under the caption "FINANCIAL CONDITION - Interest Rate Sensitivity and Liquidity."

#### Provision for Credit Losses

The following table details Peoples' provision for credit losses:

(Dollars in thousands)	(Dollars in thousands)	Three Months Ended			Six Months Ended		Three Months Ended			Nine Months Ended	
		June	March	June	June 30,		September			September 30,	
		30,	31,	30,	2024	2023	30,	30,	30,	2024	2023
		2024	2024	2023			2024	2024	2023		
Provision for other credit losses											
Provision for checking account overdraft credit losses											
<b>Provision for credit losses</b>											

The provision for credit losses recorded represents the amount needed to maintain the appropriate level of the allowance for credit losses based on management's quarterly estimates. The provision for credit losses for the third quarter of 2024 was mainly a result of net charge-offs. The provision for credit losses for the second quarter of 2024 was a result of driven by (i) higher net-charge offs, net charge-offs, (ii) an increase in of reserves for on individually analyzed loans and leases and (iii) loan growth. The provision for credit losses for the second third quarter of 2023 was due driven by (i) loan growth, (ii) an increase in net charge-offs, (iii) updates to our prepayment, curtailment, and funding rates, and (iv) a provision for deterioration in macro-economic conditions used within the non-purchased credit deteriorated loans acquired in the Limestone Merger, CECL model, partially offset by the a release of reserves on individually analyzed loans and improvements in macro-economic conditions. loans.

For the first half nine months of 2024, the provision for credit losses was mainly the result of (i) higher net charge-offs, (ii) an increase of reserves on individually analyzed loans and leases and (iii) economic forecast deterioration and (iv) loan growth. For the first six nine months of 2023, the provision for credit losses was driven by (i) the addition of the provision for the non-purchased credit deteriorated loans acquired in the Limestone Merger, (ii) loan growth and (iii) economic forecast deterioration, partially offset by a reduction in the reserves for individually analyzed loans and leases and the use of updated loss drivers.

Additional information regarding changes in the allowance for credit losses and loan credit quality can be found later in this MD&A under the caption "FINANCIAL CONDITION - Allowance for Credit Losses."

54 56

[Table of Contents](#)

#### Net Loss Included in Total Non-Interest Income

Net loss includes net losses on investment securities, asset disposals and other transactions, which are recognized in total non-interest income. The following table details Peoples' net losses for the periods presented:

(Dollars in thousands)	(Dollars in thousands)	Three Months Ended			Six Months Ended		Three Months Ended			Nine Months Ended	
		June	March	June	June 30,		September			September 30,	
		30,	31,	30,	2024	2023	30,	30,	30,	2024	2023
		2024	2024	2023			2024	2024	2023		
<b>Net loss on investment securities</b>											
Net loss on asset disposals and other transactions:											
Net loss on asset disposals and other transactions:											
Net loss on asset disposals and other transactions:											
Net loss on other assets											
Net loss on other assets											
Net loss on other assets											

Net loss on OREO

Net loss on other transactions

Net loss on other transactions

Net loss on other transactions

Net loss on asset disposals and other transactions

The net loss on investment securities for the **second third** quarter of 2024 was driven by the loss recorded on a contingent call of a security. During the first quarter of 2023, Peoples executed sales of \$96.7 million of its lower yielding available-for-sale securities which were used to pay down overnight borrowings. The loss on the sales of the available-for-sale investment securities had a nominal impact on tangible book value as such loss was previously reflected in capital through accumulated other comprehensive loss.

The net loss for the second quarter of 2024 was driven primarily by \$0.4 million of net losses on repossessed assets. The net loss on asset disposals and other transactions for the **first third** quarter of 2024, was due to \$0.3 million the second quarter of 2024, and the third quarter of 2023 were driven primarily by net losses on repossessed assets. During the second quarter assets of 2023, Peoples recognized a \$1.6 million write-down of an OREO property due to the potential sale of the property, \$0.5 million, \$0.4 million and \$0.3 million, respectively.

Total Non-Interest Income, Excluding Net Gains and Losses

Total non-interest income, excluding net gains and losses, comprised 22% of Peoples' total revenues (defined as net interest income plus total non-interest income excluding net gains and losses) for the **second third** quarter of 2024, **23%** 22% for the linked quarter, and **21%** 20% for the **second third** quarter of 2023. For the first **six nine** months of 2024, total non-interest income, excluding net gains and losses, totaled 23% of total revenues compared to **22%** 21% for the first **six nine** months of 2023.

For the **second third** quarter of 2024, electronic banking income comprised the largest portion of Peoples' total non-interest income, excluding net gains and losses. Peoples' electronic banking ("e-banking") services include ATM and debit cards, direct deposit services, internet and mobile banking, and remote deposit capture, and serve as alternative delivery channels to traditional sales offices for providing services to customers. The following table details Peoples' e-banking income:

(Dollars in thousands)	(Dollars in thousands)	Three Months Ended			Six Months Ended		Three Months Ended			Nine Months Ended		
		June 30, 2024	March 31, 2024	June 30, 2023	June 30,		September 30, 2023	September 30, 2024	June 30, 2024	September 30, 2023	September 30,	
					2024	2023					2024	2023
E-banking income												
E-banking income												
E-banking income												

Peoples' e-banking income is derived largely from ATM and debit cards, as other services are mainly provided at no charge to customers. The amount of e-banking income is largely dependent on the timing and volume of customer activity. E-banking income increased for the **second quarter first nine months** of 2024 compared to the **linked quarter first nine months of 2023** primarily driven by an increase in customer activity.

The following table details Peoples' insurance income:

(Dollars in thousands)	(Dollars in thousands)	Three Months Ended			Six Months Ended		Three Months Ended			Nine Months Ended		
		June 30,	March 31,	June 30,	June 30,					September 30,		
		2024	2024	2023	2024	2023	September 30, 2023	September 30, 2024	June 30, 2024	September 30, 2023	2024	2023
Property and casualty insurance commissions												
Property and casualty insurance commissions												
Property and casualty insurance commissions												
Performance-based commissions												
Performance-based commissions												
Performance-based commissions												
Life and health insurance commissions												
Insurance income												
Insurance income												
Other fees and charges												
Insurance income												

Peoples' insurance income for the **second third** quarter of 2024 **decreased \$2.4 million** remained relatively flat when compared to the linked quarter. The decrease in insurance income was due to seasonal performance-based commissions, which are annual in nature quarter and typically occur in the first quarter of each year. Insurance income for the **second quarter of 2024 increased \$0.1 million** when compared to the second quarter of 2023, primarily due to new business and market increases for premiums, prior year quarter. Insurance income in the first **half nine months** of 2024 increased **12%** 9% when compared to the first **half nine months** of 2023 due to higher commissions and additional customers.

Peoples' trust and investment income, which includes fiduciary income, and brokerage income, and employee benefit fees, continued to be based primarily upon the value of assets under administration and management, with additional income generated from transaction commissions, cross-selling of products and additional retirement plan services business. The following table details Peoples' trust and investment income:

	Three Months Ended			Six Months Ended		Three Months Ended			Nine Months Ended			
	June 30, March 31, June 30,			June 30,		September 30, June 30, September 30,			September 30,			
(Dollars in thousands)	(Dollars in thousands)	2024	2024	2023	2024	2023	September 30,	2024	2024	2023	2024	2023
							September 30,					
Fiduciary income							2023					
Brokerage income												
Employee benefit fees												
Trust and investment income												

Fiduciary income and brokerage income increased decreased in the second third quarter of 2024 relative to the linked quarter due to market performance. When compared to the second third quarter of 2023, fiduciary income and brokerage income increased \$0.5 million, which was driven by an increase in assets under administration and management. For the first half nine months of 2024, trust and investment income increased when compared to the same period in 2023 due to higher fiduciary and brokerage income, primarily reflecting an increase in assets under management and market volatility.

The following table details Peoples' assets under administration and management:

			December								
			June 30, 2024	March 31, 2024	31, 2023	September 30, 2023	June 30, 2023				
(Dollars in thousands)	(Dollars in thousands)	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	(Dollars in thousands)	June 30, 2024	September 30, 2024	December 31, 2023	September 30, 2023	
Trust											
Trust											
Trust											
Brokerage											
Total											

Quarterly average

The increases in assets under administration and management at June 30, 2024 September 30, 2024 compared to at March 31, 2024 June 30, 2024 were driven by market value fluctuations. The increases in assets under administration and management at June 30, 2024 September 30, 2024 when compared to at June 30, 2023 September 30, 2023 were primarily due to recent growth, through acquisitions, as Peoples added new accounts and the underlying market values of assets under management grew.

Deposit account service charges are based on the recovery of costs associated with services provided. The following table details Peoples' deposit account service charges:

		Three Months Ended			Six Months Ended	Three Months Ended			Nine Months Ended			
		June 30,	March 31,	June 30,	June 30,		September 30,	June 30,	September 30,	September 30,		
(Dollars in thousands)	(Dollars in thousands)	2024	2024	2023	2024	2023	September 30, 2023	2024	2024	2023	2024	2023
Overdraft and non-sufficient funds fees												
Account maintenance fees												
Other fees and charges												
Deposit account service charges												

The amount of deposit account service charges, particularly fees for overdrafts and non-sufficient funds, is largely dependent on the timing and volume of customer activity. Management periodically evaluates its cost recovery fees to ensure they are reasonable based on operational costs and similar to fees charged in Peoples' markets by competitors. Deposit account service charges increased for the second third quarter of 2024 compared to the linked quarter due to seasonality of customer activity. Deposit account service charges increased were flat when comparing the second third quarter of 2024 to the second third quarter of 2023 due to the Limestone Merger, 2023. Deposit account service charges also increased for the first six nine months of 2024 compared to the same period of 2023 due to the Limestone Merger.

The following table details the other items included within Peoples' total non-interest income:

		Three Months Ended			Six Months Ended		Three Months Ended				Nine Months Ended	
		June 30, March 31, June 30,			June 30,		September 30, June 30, September 30,				September 30,	
(Dollars in thousands)	(Dollars in thousands)	2024	2024	2023	2024	2023	September 30, 2023	2024	2024	2023	2024	2023
Other non-interest income												
Other non-interest income												
Other non-interest income												
Bank owned life insurance income												
Lease income												
Mortgage banking income												

56

## Table of Contents

The increase in other Other non-interest income when comparing was relatively flat for the three months ended June 30, 2024 September 30, 2024 when compared to the linked quarter and the prior year third quarter was primarily due to an increase in operating lease income. of 2023. The increase in other non-interest income for the first six nine months of 2024 when compared to the same period of 2023 was driven by increased operating lease income.

Bank owned life insurance income for the second third quarter of 2024 decreased compared to the linked quarter and the prior year quarter primarily due to a \$0.5 million death benefit recorded changes in the first quarter cash surrender values of 2024, the underlying policies. Bank owned life insurance income for the second quarter and the first six nine months of 2024 increased remained relatively flat when compared to the second quarter and first six nine months of 2023, due to the additional insurance policies acquired in the Limestone Merger and the aforementioned death benefit. 2023.

Lease income is primarily comprised of (i) gains on the early termination of leases, net of any associated purchase accounting adjustments, (ii) month-to-month lease payments in excess of net investment in the lease, net of any associated purchase accounting adjustment, (iii) fees received for referrals, (iv) gains and losses recognized on the sales of residual assets, net of any purchase accounting impact, and (v) syndication income. Lease income for the second third quarter of 2024 decreased increased compared to the second linked quarter and the third quarter of 2023 due to a decrease an increase in gains on terminated leases. Lease income for the first nine months of 2024 compared to the first nine months of 2023 was primarily driven by an increase in gains on early terminations on leases and lower syndication income, that paid off.

Mortgage banking income is comprised mostly of net gains from the origination and sale of real estate loans in the secondary market, and, to a lesser extent, servicing income for loans sold with servicing retained. As a result, the amount of income recognized by Peoples is largely dependent on customer demand and long-term interest rates for residential real estate loans offered in the secondary market. Mortgage banking income for the second third quarter of 2024 was relatively flat increased \$0.8 million when compared to each of the prior periods. periods and was primarily driven by higher production.

In the second third quarter of 2024, Peoples sold \$2.6 \$14.9 million in loans into the secondary market with servicing retained and \$11.8 million \$12.0 million in loans with servicing released, compared to \$0.2 million \$2.6 million and \$6.9 million, respectively, in the first quarter of 2024, and \$1.1 million and \$6.1 million \$11.8 million, respectively, in the second quarter of 2024, and \$0.8 million and \$9.4 million, respectively, in the third quarter of 2023. For the first six nine months of 2024, Peoples sold \$2.7 \$17.6 million in loans into the secondary market with servicing retained, and \$18.8 \$30.8 million with servicing released, compared to \$1.9 million \$2.7 million and \$13.5 million \$22.8 million, respectively, for the first six nine months of 2023.

## Non-Interest Expense

Salaries and employee benefit costs remain Peoples' largest non-interest expense, accounting for over one-half of total non-interest expense. The following table details Peoples' salaries and employee benefit costs:

(Dollars in thousands)	(Dollars in thousands)	Three Months Ended			Six Months Ended		Three Months Ended			Nine Months Ended		
		June 30, 2024	March 31, 2024	June 30, 2023	June 30,		September 30, 2023	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
					2024	2023						
Base salaries and wages												
Sales-based and incentive compensation												
Employee benefits												
Payroll taxes and other employment costs												
Stock-based compensation												
Deferred personnel costs												
Salaries and employee benefit costs												

Full-time equivalent employees:

Actual at end of period
Actual at end of period
Actual at end of period
Average during the period

Base salaries and wages for the **second third** quarter of 2024 remained relatively flat compared to the linked **quarter**. The current **quarter decrease compared and** to the **second third** quarter of 2023 was primarily due to the decrease of acquisition-related expenses, 2023. Base salaries and wages for the first **six nine** months of 2024 increased compared to the first **six nine** months of 2023 due to the additional expense associated with employees added with the Limestone Merger coupled with annual merit increases.

[Table of Contents](#)

Sales-based incentive compensation increased for the third quarter of 2024 compared to the linked **quarter** due to an increase of \$0.4 million of Vantage-related incentive compensation. Sales-based incentive compensation for the first **six nine** months of 2024 compared to the first **six nine** months of 2023 increased primarily due to additional employees added with the Limestone Merger.

The **increase decrease** in employee benefits for the **second third** quarter of 2024 compared to the linked **quarter** and the **second increase over the third** quarter of 2023 was primarily due to **increased** medical costs. The increase for the first **six nine** months of 2024 compared to the first **six nine** months of 2023 was primarily due to higher medical costs reflecting a full **six nine** months of expenses in 2024 for the additional employees added with the Limestone Merger.

Payroll taxes and other employment costs for the **second third** quarter of 2024 **decreased increased** compared to the linked **quarter** due to **seasonal expenses recognized a refund received in the second quarter of 2024 due to change in tax rate** in the first quarter of each year. Also impacting the increase in payroll taxes and other employment costs when compared to the second quarter of 2023 were the additional employees added in the Limestone Merger, 2024. The increase for the first **six**

[Table of Contents](#)

**nine** months of 2024 compared to the first **six nine** months of 2023 was driven by the additional employees added in the Limestone Merger coupled with annual merit increases.

Stock-based compensation is generally recognized over the vesting period, which generally ranges from immediate vesting to vesting at the end of three years. An adjustment is made at the vesting date to reverse expense relating to forfeitures for performance awards, and at the date of forfeiture to reverse expense for non-vested restricted common share awards. Stock grants to retirement eligible grantees are expensed either immediately or over a shorter period than three years. The majority of Peoples' stock-based compensation is attributable to annual equity-based incentive awards to employees, which are awarded in the first quarter of each year based upon Peoples achieving certain performance goals during the prior year, and are generally contingent on employment through the vesting period. Stock-based compensation for the **second quarter first nine months** of 2024 **decreased increased** when compared to the first **quarter nine months** of **2024 2023** due to **seasonal expenses recognized the additional employees added in the first quarter of each year. Limestone Merger.**

Deferred personnel costs represent the portion of current period salaries and employee benefit costs considered to be direct loan origination costs. These costs are capitalized and recognized over the life of the loan as a yield adjustment in interest income. As a result, the amount of deferred personnel costs for each period corresponds directly with the volume of loan originations, coupled with the average deferred costs per loan that are updated annually at the beginning of each year. Deferred personnel costs for the **second third** quarter of 2024 **increased remained flat** when compared to both the **first second** quarter of 2024 and the **second third** quarter of 2023 due to an increase in loan origination volume, 2023.

Peoples' net occupancy and equipment expense was comprised of the following:

	Three Months Ended			Six Months Ended		Three Months Ended			Nine Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(Dollars in thousands)	(Dollars in thousands)									
Depreciation										
Repairs and maintenance costs										
Property taxes, utilities and other costs										
Net rent expense										
Net occupancy and equipment expense										

The second Net rent expense for the third quarter and first nine months of 2024 net occupancy and equipment expense was relatively flat when compared to the linked **quarter**, same periods of 2023 increased due to a prior period one time benefit to rent expense recognized in the third quarter of 2023. The **second third** quarter and the first **six nine**



months of 2024 net occupancy and equipment expense increased when compared to the same periods of 2023 due to additional net occupancy and equipment expense from the Limestone Merger.

60

[Table of Contents](#)

The following table details the other items included in total non-interest expense:

		Three Months Ended			Six Months Ended		Three Months Ended			Nine Months Ended	
		June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	September 30, 2023	September 30, 2024	June 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(Dollars in thousands)	(Dollars in thousands)										
Data processing and software expense						September 30, 2023					
Professional fees											
Amortization of other intangible assets											
E-banking expense											
FDIC insurance premiums											
Other loan expenses											
Franchise tax expense											
Communication expense											
Marketing expense											
Other non-interest expense											

Data processing and software expenses for the **second third** quarter of 2024 **increased decreased** compared to the linked quarter due to **higher expenses attributable to lower costs associated with** recent technology projects. The increase for the **second quarter and the first six nine** months of 2024 when compared to the same **periods period** in 2023 was driven by software upgrades and implementation of new systems, coupled with the increased size of Peoples' organization as a result of the Limestone Merger.

Professional fees for the **second third** quarter of 2024 were flat when compared to the linked quarter. Professional fees for the **second third** quarter and first **six nine** months of 2024 compared to the same periods in 2023 decreased due to less acquisition-related expenses.

58

[Table of Contents](#)

Amortization of other intangible assets for the **second third** quarter of 2024 was flat compared to the linked quarter and **decreased \$0.6 million compared to the prior year quarter, quarter due to decreases in amortization on core deposits and customer relationship intangibles.** Amortization of other intangible assets for the first **six nine** months of 2024 increased when compared to the same period of 2023 due to amortization of intangible assets recognized in the Limestone Merger.

Peoples' e-banking expense is comprised of costs associated with debit and ATM cards. **The increase in electronic banking income E-banking expense** compared to the linked quarter and the **first third** quarter of 2023 **was due to an increase in customer activity, remained relatively flat.** E-banking expense increased for the first **six nine** months of 2024 when compared to the first **six nine** months of 2023 due to additional customers brought in from the Limestone Merger.

Peoples' FDIC insurance premiums for the **second third** quarter of 2024 were relatively flat when compared to the linked quarter and the **first third** quarter of 2023. FDIC insurance premiums for the first **six nine** months of 2024 increased when compared to the first **six nine** months of 2023 due to organic and acquisitive growth and an increase in rates assessed by the FDIC.

Other loan expenses during the **second third** quarter of 2024 were relatively flat when compared to the linked quarter. Other loan expenses increased for the **second third** quarter and the first **six nine** months of 2024 when compared to the same periods of 2023 primarily due to increases in miscellaneous loan and collection expenses as a result of increased insurance costs associated with consumer indirect loans.

Marketing expense for the **second third** quarter of 2024 **decreased increased** when compared to the linked quarter due to **lower higher advertising expense, expense and donations.** Marketing expense for the **second third** quarter and the first **six nine** months of 2024 decreased when compared to the same periods of 2023 due to lower acquisition-related expenses.

Peoples is subject to state franchise taxes, which are based largely on Peoples' equity, in the states where Peoples has a physical presence. Franchise tax expense also includes the Ohio Financial Institution Tax ("FIT"), which is a business privilege tax that is imposed on financial institutions organized for profit and doing business in Ohio. The Ohio FIT is based on the total equity capital in proportion to the taxpayer's gross receipts in Ohio as of the most recent year-end. The **decrease increase** in franchise tax expense for the **second third** quarter of 2024 when compared to the **second third** quarter of 2023 was **due to higher equity driven by a lower apportionment in Ohio, the Limestone Merger.**

Other non-interest expense for the **second third** quarter of 2024 **increased decreased** when compared to the linked quarter **and the second quarter of 2023 primarily** due to a one-time prior period true-up of corporate **expenses recognized in the second quarter of 2024. Other non-interest expense for the third quarter and first nine months of 2024 compared to the same periods of 2023 decreased due to a less acquisition-related expenses.**



[Table of Contents](#)
**Income Tax Expense**

Peoples recorded income tax expense of \$9.2 million with an effective tax rate of 22.5% for the third quarter of 2024, compared to income tax expense of \$6.9 million with an effective tax rate of 19.1% for the second quarter of 2024, compared to income tax expense of \$8.3 million with an effective tax rate of 21.8% for the linked quarter and income tax expense of \$6.2 million \$8.8 million with an effective tax rate of 22.6% 21.7% for the second third quarter of 2023. The decrease in income tax expense when compared to the prior quarter was driven by a \$1.1 million one-time benefit related to a prior year amended return. The increase in income tax expense when compared to the linked quarter was driven by a \$1.1 million one-time benefit recognized in the second quarter of 2024 related to a prior year amended return and higher pre-tax income. The increase in income tax expense when compared to the third quarter of 2023 was primarily due to higher pre-tax income. Peoples recorded income tax expense of \$15.1 million \$24.3 million with an effective tax rate of 20.5% 21.2% in the first six nine months of 2024 and \$13.2 million \$22.1 million with an effective tax rate of 21.7% in the first six nine months of 2023. The increase was driven by higher pre-tax income.

Additional information regarding income taxes can be found in "Note 13. Income Taxes" of the Notes to the Consolidated Financial Statements included in Peoples' 2023 Form 10-K.

**Pre-Provision Net Revenue (Non-US GAAP)**

Pre-provision net revenue ("PPNR") has become a key financial measure used by state and federal bank regulatory agencies when assessing the capital adequacy of financial institutions. PPNR is defined as net interest income plus total non-interest income, excluding all gains and losses, minus total non-interest expense. As a result, PPNR represents the earnings capacity that can be either retained in order to build capital or used to absorb unexpected losses and preserve existing capital. This measure represents a Non-US GAAP financial measure since it excludes the provision for (recovery of) credit losses and all gains and losses included in earnings.

[Table of Contents](#)

The following table provides a reconciliation of this Non-US GAAP financial measure to the amounts reported in Peoples' Unaudited Condensed Consolidated Financial Statements for the periods presented:

		Three Months Ended				Three Months Ended					
		Three Months Ended				Six Months Ended		Nine Months Ended			
		June 30,		March 31,	June 30,	June 30,					
		2024		2024	2023	September	September 30,				
						30,	(Dollars in	June	September		
(Dollars in thousands)		March 31,	June 30,	2024	2023	2024	thousands)	30,	30,	2024	2023
Pre-provision net revenue:		2024	2023					2024	2023		
Income before income taxes											
Income before income taxes											
Income before income taxes											
Add: provision for credit losses											
Add: loss on OREO											
Add: loss on OREO											
Add: loss on OREO											
Add: loss on investment securities											
Add: loss on other assets											
Add: loss on other transactions											
Pre-provision net revenue											
Pre-provision net revenue											
Pre-provision net revenue											
Total average assets											
Total average assets											
Total average assets		\$9,180,454	\$9,021,651	\$8,342,883	\$9,101,052	\$7,792,579					
Pre-provision net revenue to total average assets (annualized)											
Pre-provision net revenue to total average assets (annualized)											

Pre-provision net revenue to total average assets (annualized)	1.85	%	1.97	%	1.78	%	1.91	%	1.93	%
Weighted-average common shares outstanding - diluted	35,117,648		35,051,810		32,649,976		35,071,550		30,314,504	
Pre-provision net revenue per common share - diluted										

The decrease increase in the PPNR for the second third quarter of 2024 compared to the linked quarter was driven by decreased increased non-interest income and lower higher accretion income. The increase in PPNR for the second third quarter of 2024 when compared to the second third quarter of 2023 was due to increased net interest income reflecting driven by higher rates. The increase in PPNR for the positive impact first nine months of 2024 compared to the additional first nine months of 2023 was driven by increased non-interest income and increased net interest income from Limestone customers after the Limestone Merger. driven by higher rates.

#### Core Non-Interest Expense (Non-US GAAP)

Core non-interest expense is a financial measure used to evaluate Peoples' recurring expense stream. This measure is Non-US GAAP since it excludes the impact of all acquisition-related expenses. expenses, pension settlement charges, and the COVID-19 employee retention credit.

The following table provides a reconciliation of this Non-US GAAP measure to the amounts reported in Peoples' Unaudited Condensed Consolidated Financial Statements for the periods presented:

		Three Months Ended							
		Three Months Ended							
		Three Months Ended		Six Months Ended		Nine Months Ended			
		June 30, March 31, June 30,		June 30,					
		2024 2024 2023		September 30,		September 30,			
(Dollars in thousands)	(Dollars in thousands)	March 31, June 30,	2024	2023	2024	(Dollars in thousands)	June 30, September 30,	2024	2023
Core non-interest expense:		2024	2023				2024	2023	
Total non-interest expense									
Total non-interest expense									
Total non-interest expense									
Less: acquisition-related expenses									
Less: acquisition-related expenses									
Less: acquisition-related expenses									
Less: pension settlement charges									
Add: COVID-19 Employee Retention Credit									
Add: COVID-19 Employee Retention Credit									
Add: COVID-19 Employee Retention Credit									
Core non-interest expense									
Core non-interest expense									
Core non-interest expense									

		2024		2023	September		September 30,					
(Dollars in thousands)	(Dollars in thousands)	March 31, 2024	June 30, 2023		30, 2024	2024	2023	(Dollars in thousands)	June 30, 2024	September 30, 2023	2024	2023
Efficiency ratio:												
Efficiency ratio:												
Efficiency ratio:												
Total non-interest expense												
Total non-interest expense												
Total non-interest expense												
Less: amortization of other intangible assets												
Adjusted total non-interest expense												
Total non-interest income												
Total non-interest income												
Total non-interest income												
Less: net loss on investment securities												
Less: net loss on investment securities												
Less: net loss on investment securities												
Less: net loss on asset disposals and other transactions												
Total non-interest income excluding net losses												
Net interest income												
Net interest income												
Net interest income												
Add: FTE adjustment (a)												
Net interest income on an FTE basis												
Adjusted revenue												
Efficiency ratio	Efficiency ratio	59.19 %	58.06 %	62.75 %	58.62 %	60.44 %	ratio	55.10 %	59.19 %	58.38 %	57.43 %	59.69 %
Efficiency ratio adjusted for non-core items:												
Efficiency ratio adjusted for non-core items:												
Efficiency ratio adjusted for non-core items:												
Core non-interest expense												
Core non-interest expense												
Core non-interest expense												
Less: amortization of other intangible assets												
Adjusted core non-interest expense												
Non-interest income excluding net losses												

Net interest income  
on an FTE basis

Adjusted revenue

Efficiency ratio adjusted for non- core items	Efficiency ratio adjusted for non- core items				Efficiency ratio adjusted for non-core items	Efficiency ratio adjusted for non-core items			
	59.19 %	58.14 %	53.35 %			55.67 %	59.19 %	52.53 %	

(a) Interest income and yields are presented on a fully tax-equivalent basis, using a 21% statutory federal corporate income tax rate.

The efficiency ratio and the adjusted for the second quarter of 2024 when non-core items efficiency ratio improved compared to the linked quarter was higher improved mainly as the result of a reduction in fee-based income non-interest expense and improved compared to prior year quarter due to the decrease increase in acquisition-related expenses. The efficiency ratio, adjusted for non-core items, increased compared to the linked quarter mainly as a result of a reduction in non-interest net interest income. The efficiency ratio for the first six months of 2024 improved compared to the prior year first six nine months due to the decrease in acquisition-related expenses. The efficiency ratio, adjusted for non-core items, increased was 57.7% for the first six nine months of 2024, when compared to 54.2% for the first nine months of 2023. The increase in the efficiency ratio, adjusted for non-core items, for the first nine months of 2024 compared to the first six nine months of 2023 primarily was due to increased higher non-interest expense. Peoples continues to focus on controlling expenses, while recognizing necessary costs in order to continue growing the business.

Return on Average Assets Adjusted for Non-Core Items Ratio (Non-US GAAP)

In addition to return on average assets, management uses return on average assets adjusted for non-core items to monitor performance. The return on average assets adjusted for non-core items ratio represents a Non-US GAAP financial measure since it excludes the after-tax impact of all gains and losses and acquisition-related expenses.

6163

Table of Contents

The following table provides a reconciliation of this Non-US GAAP financial measure to the amounts reported in Peoples' Unaudited Condensed Consolidated Financial Statements for the periods presented:

Three Months Ended				Three Months Ended				Six Months Ended		Three Months Ended		Nine Months Ended	
				June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024						
						September 30, 2024	September 30, 2024						
				March 31, 2024	June 30, 2024	September 30, 2024	(Dollars in thousands)		June 30, 2024	September 30, 2024	2024	2023	
(Dollars in thousands)	(Dollars in thousands)												
Annualized net income adjusted for non-core items:													
Annualized net income adjusted for non-core items:													
Annualized net income adjusted for non-core items:													
Net income													
Net income													
Net income													
Add: net loss on investment securities													
Add: net loss on investment securities													
Add: net loss on investment securities													
Less: tax effect of net loss on investment securities (a)													
Add: net loss on asset disposals and other transactions													
Add: net loss on asset disposals and other transactions													
Add: net loss on asset disposals and other transactions													
Less: tax effect of net loss on asset disposals and other transactions (a)													
Add: acquisition-related expenses													
Add: acquisition-related expenses													

Add: acquisition-related expenses
Less: tax effect of acquisition-related expenses (a)
Add: pension settlement charges
Less: tax effect of pension settlement charges (a)
Less: COVID-19 Employee Retention Credit
Less: COVID-19 Employee Retention Credit
Less: COVID-19 Employee Retention Credit
Add: tax effect of COVID-19 Employee Retention Credit (a)
Net income adjusted for non-core items (after tax)
Net income adjusted for non-core items (after tax)
Net income adjusted for non-core items (after tax)

Days in the period
Days in the year
Annualized net income
Annualized net income adjusted for non-core items (after tax)

Return on average assets:

Annualized net income
Annualized net income
Annualized net income
Total average assets

Return on average assets	Return on average assets	1.27 %	1.32 %	1.01 %	1.29 %	1.23 %	Return on average assets	1.38 %	1.27 %	1.44 %	1.32 %	1.31 %
--------------------------	--------------------------	--------	--------	--------	--------	--------	--------------------------	--------	--------	--------	--------	--------

Return on average assets adjusted for non-core items:

Annualized net income adjusted for non-core items (after tax)
Annualized net income adjusted for non-core items (after tax)
Annualized net income adjusted for non-core items (after tax)
Total average assets

Return on average assets adjusted for non-core items (after tax)	Return on average assets adjusted for non-core items (after tax)	1.30 %	1.33 %	1.47 %	1.31 %	1.53 %	Return on average assets adjusted for non-core items (after tax)	1.39 %	1.30 %	1.69 %	1.34 %	1.59 %
--	--	--------	--------	--------	--------	--------	--	--------	--------	--------	--------	--------

(a) Based on a 21% statutory federal corporate income tax rate.

The return on average assets and the return on average assets adjusted for non-core items for the **second third** quarter of 2024 **decreased increased** when compared to the linked quarter, due to **a decrease an increase** in annualized net income resulting from **lower higher** non-interest income and **by an increase a decrease** in average assets. The decrease in the return on average assets adjusted for non-core items for the **second third** quarter of 2024, compared to the **second third** quarter of 2023, was attributable to **an increase in annualized net income** primarily due to **an increase in net interest income**, partially offset by the assets acquired in the Limestone Merger and **an increase in expenses. Merger**. The decrease in return on average assets adjusted for non-core items for the first **six nine** months of 2024 when compared to the first **six nine** months of 2023, was primarily driven by **an increase in annualized net income**, partially offset with **the** assets acquired in the Limestone Merger.

Return on Average Tangible Equity Ratio (Non-US GAAP)

The return on average tangible equity ratio is a key financial measure used to monitor performance. This ratio is calculated as annualized net income (less the after-tax impact of amortization of other intangible assets) divided by average tangible equity. This

6264

Table of Contents

measure is Non-US GAAP since it excludes amortization of other intangible assets from earnings and the impact of goodwill and other intangible assets acquired through acquisitions on total stockholders' equity.

Three Months Ended			Three Months Ended			Six Months Ended		Three Months Ended	Nine Months Ended
			June 30, 2024	March 31, 2024	June 30, 2023	September 30, 2024		September 30, 2023	
(Dollars in thousands)	(Dollars in thousands)								
Annualized net income excluding amortization of other intangible assets:		March 31, 2024	June 30, 2023				June 30, 2024	September 30, 2023	
Net income									
Net income									
Net income									
Add: amortization of other intangible assets									
Less: tax effect of amortization of other intangible assets (a)									
Net income excluding amortization of other intangible assets									
Days in the period									
Days in the year									
Annualized net income									
Annualized net income excluding amortization of other intangible assets									
Average tangible equity:									
Total average stockholders' equity									
Total average stockholders' equity									
Total average stockholders' equity									
Less: average goodwill and other intangible assets									
Average tangible equity									

Return on total  
average  
stockholders'  
equity ratio:

Annualized net income  
Annualized net income  
Annualized net income

Total average  
stockholders'  
equity

Return on total average stockholders' equity	Return on total average stockholders' equity	10.99 %	11.30 %	8.89 %	11.15 %	10.96 %	Return on total average stockholders' equity	11.46 %	10.99 %	12.59 %	11.25 %	11.56 %
---	---	---------	---------	--------	---------	---------	---	---------	---------	---------	---------	---------

Return on average  
tangible equity  
ratio:

Annualized net income excluding  
amortization of other intangible  
assets  
Annualized net income excluding  
amortization of other intangible  
assets  
Annualized net income excluding  
amortization of other intangible  
assets

Average tangible  
equity

Return on average tangible equity	Return on average tangible equity	19.21 %	19.91 %	16.56 %	19.55 %	19.90 %	Return on average tangible equity	19.40 %	19.21 %	23.04 %	19.50 %	21.05 %
--------------------------------------	---	---------	---------	---------	---------	---------	--	---------	---------	---------	---------	---------

(a) Based on a 21% statutory federal corporate income tax rate.

The return on total average stockholders' equity and average tangible equity ratios decreased increased when compared to the linked quarter due to a decrease an increase in annualized net income mainly attributable to a decrease an increase in non-interest net interest income. The increases decreases in the return on total average stockholders' equity and average tangible equity ratios in for the second third quarter and first nine months of 2024 when compared to the same period periods of 2023 were due to an increase in total net interest income driven by the 2023 increases in market interest rates and additional net interest income from Limestone following the Limestone Merger. higher average stockholders' equity.

FINANCIAL CONDITION

Cash and Cash Equivalents

At June 30, 2024 September 30, 2024, Peoples' interest-bearing deposits in other banks had decreased \$199.2 million \$170.6 million from December 31, 2023. The total cash and cash equivalents balance included \$109.7 million \$137.6 million of excess cash reserves being maintained at the FRB of Cleveland at June 30, 2024 September 30, 2024, compared to \$309.8 million at December 31, 2023. The amount of excess cash reserves maintained is dependent upon Peoples' daily liquidity position, which is driven primarily by changes in deposit and loan balances.

Through the first six nine months of 2024, Peoples' total cash and cash equivalents decreased \$190.9 million \$143.0 million, which reflected cash outflows of \$273.4 million of cash used in \$126.6 million for investing activities and \$119.6 million for financing activities, partially offset by cash inflows of \$69.1 million of cash provided by \$103.2 million from operating activities and \$13.4 million of cash provided by financing activities. Peoples' use of cash in investing activities reflected a \$164.5 million \$108.1 million net increase in loans held for investment and a net cash outflow from available-for-sale held-to-maturity investment securities of \$83.4 million \$9.9 million. The cash provided by financing activities was largely driven by a \$240.4 million \$445.0 million net increase in interest-bearing deposits, mostly offset by a net decrease in short-term borrowings of \$118.4 million \$425.2 million and a net decrease in non-interest bearing deposits of \$95.0 million \$114.2 million.

Further information regarding the management of Peoples' liquidity position can be found later in this discussion under "Interest Rate Sensitivity and Liquidity."

Investment Securities

The following table provides information regarding Peoples' investment portfolio:

	June 30, 2024						September 30, 2023						
(Dollars in thousands)	(Dollars in thousands)	Weighted Average Yield	30, 2024	31, 2024	31, 2023	30, 2023	(Dollars in thousands)	Weighted Average Yield	30, 2024	30, 2024	31, 2024	31, 2023	30, 2023
Available-for-sale securities, at fair value:	Available-for-sale securities, at fair value:						Available-for-sale securities, at fair value:						
Obligations of:	Obligations of:						Obligations of:						
U.S. Treasury and government agencies													
U.S. government sponsored agencies													
States and political subdivisions													
Residential mortgage-backed securities													
Commercial mortgage-backed securities													
Bank-issued trust preferred securities													
Total fair value													
Total fair value													
Total fair value													
Total amortized cost													
Net unrealized loss													
Held-to-maturity securities, at amortized cost:													
Obligations of:													
Obligations of:													
Obligations of:													
U.S. government sponsored agencies													
U.S. government sponsored agencies													
U.S. government sponsored agencies													
States and political subdivisions (a)													
Residential mortgage-backed securities													
Commercial mortgage-backed securities													
Total amortized cost													
Other investment securities													
Total investment securities:													
Amortized cost													
Amortized cost													
Amortized cost													
Carrying value													

) Amortized cost is presented net of the allowance for credit losses of \$236 at September 30, 2024 and \$238 at both June 30, 2024 and at March 31, 2024, and \$241 at June 30, 2023 September 30, 2023.

For the second third quarter of 2024, total investment securities increased decreased compared to all prior periods due to higher yielding, longer duration maturities and calls on securities booked to held-to-maturity during the quarter. During the fourth quarter of 2023, Peoples executed the sales of \$36.5 million of lower yielding available-for-sale investment securities for an after-tax loss of \$1.3 million. Proceeds from the sales were used to purchase higher yielding agency investment securities. The realized losses recognized due to the fourth quarter of 2023 sales are expected to be earned back within 14 months of the transaction dates.



[Table of Contents](#)

Additional information regarding Peoples' investment portfolio can be found in "Note 3 Investment Securities" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

[Table of Contents](#)

Loans and Leases

The following table provides information regarding outstanding loan balances:

	(Dollars in thousands)	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	(Dollars in thousands)	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(Dollars in thousands)	(Dollars in thousands)	2024	2024	2023	2023	2023	(Dollars in thousands)	2024	2024	2024	2023	2023
Originated loans and leases:	Originated loans and leases:						Originated loans and leases:					
Construction												
Commercial real estate, other												
Commercial real estate												
Commercial and industrial												
Premium finance												
Leases												
Residential real estate												
Home equity lines of credit												
Consumer, indirect												
Consumer, direct												
Consumer												
Deposit account overdrafts												
Total originated loans and leases												
Acquired loans and leases (a):												
Construction												
Construction												
Construction												
Commercial real estate, other												
Commercial real estate												
Commercial and industrial												
Leases												
Leases												
Leases												
Residential real estate												
Home equity lines of credit												
Consumer, direct												
Consumer, direct												
Consumer, direct												
Total acquired loans and leases												
Total acquired loans and leases												
Total acquired loans and leases												
Total loans and leases												
Percent of loans and leases to total loans and leases:												
Percent of loans and leases to total loans and leases:												

Percent of loans and leases to total loans and leases:													
Construction													
Construction													
Construction		5.4 %	5.1 %	5.9 %	6.1 %	7.0 %		5.1 %	5.4 %	5.1 %	5.9 %	6.1 %	%
Commercial real estate, other	Commercial real estate, other	34.7 %	36.2 %	35.7 %	36.0 %	34.8 %		Commercial real estate, other	34.8 %	34.7 %	36.2 %	35.7 %	36.0 %
Commercial real estate	Commercial real estate	40.1 %	41.3 %	41.6 %	42.1 %	41.8 %		Commercial real estate	39.9 %	40.1 %	41.3 %	41.6 %	42.1 %
Commercial and industrial	Commercial and industrial	19.9 %	19.6 %	19.2 %	18.6 %	19.4 %		Commercial and industrial	19.9 %	19.9 %	19.6 %	19.2 %	18.6 %
Premium finance	Premium finance	4.6 %	3.8 %	3.3 %	3.1 %	2.7 %		Premium finance	4.6 %	4.6 %	3.8 %	3.3 %	3.1 %
Leases	Leases	6.8 %	6.8 %	6.7 %	6.6 %	6.3 %		Leases	6.9 %	6.8 %	6.8 %	6.7 %	6.6 %
Residential real estate	Residential real estate	12.5 %	12.6 %	12.9 %	13.0 %	13.2 %		Residential real estate	12.4 %	12.5 %	12.6 %	12.9 %	13.0 %
Home equity lines of credit	Home equity lines of credit	3.6 %	3.6 %	3.4 %	3.4 %	3.3 %		Home equity lines of credit	3.7 %	3.6 %	3.6 %	3.4 %	3.4 %
Consumer, indirect	Consumer, indirect	10.7 %	10.5 %	10.8 %	11.0 %	11.0 %		Consumer, indirect	10.8 %	10.7 %	10.5 %	10.8 %	11.0 %
Consumer, direct	Consumer, direct	1.8 %	1.8 %	2.1 %	2.2 %	2.3 %		Consumer, direct	1.8 %	1.8 %	1.8 %	2.1 %	2.2 %
Consumer	Consumer	12.5 %	12.3 %	12.9 %	13.2 %	13.3 %		Consumer	12.6 %	12.5 %	12.3 %	12.9 %	13.2 %
Total percentage													
Total percentage													
Total percentage		100.0 %	100.0 %	100.0 %	100.0 %	100.0 %		100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	%

#### Residential real estate loans being serviced for others

(a) Includes all loans acquired, and related loan discount recorded as part of acquisition accounting, in 2012 or thereafter. Loans that were acquired and subsequently re-underwritten are reported as originated upon execution of such credit actions (for example, renewals and increases in lines of credit).

The period-end total loan and lease balances at **June 30, 2024** increased **\$122.5 million** **September 30, 2024** decreased **\$53.5 million**, or **8%** **3%** annualized, compared to at **March 31, 2024** **June 30, 2024**. The **increase** **decrease** in the period-end loan and lease balance at **June 30, 2024** **September 30, 2024** compared to **March 31, 2024** **June 30, 2024** was primarily driven by **increases** **decreases** of (i) **\$54.4 million** in premium finance loans, (ii) **\$43.4 million** in commercial and industrial loans, (iii) **\$25.9 million** **\$20.5 million** in construction loans, (iv) and **\$24.8 million** in indirect consumer loans. These were partially offset by a decrease of **\$47.8 million** (ii) **\$15.5 million** in other commercial real estate loans (iii) **\$11.8 million** of residential real estate loans, (iv) and **\$7.9 million** in commercial and industrial loans. The increase in the period-end loan and lease balances at **June 30, 2024** **September 30, 2024** compared to at **June 30, 2023** **September 30, 2023** was primarily driven by loan **growth**. **growth** for commercial and industrial and premium finance loans.

65 67

#### Table of Contents

#### Loan Concentration

Peoples categorizes its commercial loans according to standard industry classifications and monitors for concentrations in a single industry or multiple industries that could be impacted by changes in economic conditions in a similar manner. Peoples' commercial lending activities continue to be spread over a diverse range of businesses from all sectors of the economy, with no single industry comprising over 10% of Peoples' total loan portfolio.

Loans secured by commercial real estate, including commercial construction loans, continued to comprise the largest portion of Peoples' loan **portfolio**. **portfolio** at **September 30, 2024**. The following tables provide information regarding the largest concentrations of commercial construction loans and other commercial real estate loans within the loan portfolio at **June 30, 2024** **September 30, 2024**:

(Dollars in thousands)	(Dollars in thousands)	Outstanding Balance	Loan Commitments	Total Exposure	% of Total	(Dollars in thousands)	Outstanding Balance	Loan Commitments	Total Exposure	%
<b>Construction:</b>										
<b>Construction:</b>										
Apartment complexes	Apartment complexes	\$ 226,170	\$ 249,829	\$ 475,999	68.3	Apartment complexes	\$193,984	\$ 268,700	\$ 462,684	67.
Residential property	Residential property	23,670	28,738	52,408	7.5	Residential property	26,869	21,619	48,488	7.

Land development	Land development	30,933	11,572	11,572	42,505	42,505	6.1	6.1 %	Land development	32,080	10,966	10,966	43,046	43,046	6.1	6.1 %
Land only	Land only	23,980	12,612	12,612	36,592	36,592	5.3	5.3 %	Land only	15,246	17,267	17,267	32,513	32,513	4.1	4.1 %
Assisted living facilities and nursing homes	Assisted living facilities and nursing homes	3,269	17,812	17,812	21,081	21,081	3.0	3.0 %	Assisted living facilities and nursing homes	7,461	21,105	21,105	28,566	28,566	4.1	4.1 %
Lodging and lodging related																
Lodging and lodging related																
Lodging and lodging related		—	16,270	16,270	16,270	16,270	2.3	2.3 %		6,614	9,654	9,654	16,268	16,268	2.4	2.4 %
Student housing																
Student housing																
Student housing		12,597	2,403	2,403	15,000	15,000	2.2	2.2 %		13,380	1,620	1,620	15,000	15,000	2.2	2.2 %
Other (a)																
Other (a)																
Other (a)		19,982	17,143	17,143	37,125	37,125	5.3	5.3 %		24,460	15,170	15,170	39,630	39,630	5.8	5.8 %
<b>Total construction</b>	<b>Total construction</b>	<b>\$ 340,601</b>	<b>\$ 356,379</b>	<b>\$ 356,379</b>	<b>\$ 696,980</b>	<b>\$ 696,980</b>	<b>100.0</b>	<b>100.0 %</b>	<b>Total construction</b>	<b>\$320,094</b>	<b>\$ 366,101</b>	<b>\$ 366,101</b>	<b>\$ 686,195</b>	<b>\$ 686,195</b>	<b>100.0</b>	<b>100.0 %</b>

(a) All other total exposures by industry are less than 2% of the Total Exposure.

66 68

[Table of Contents](#)

(Dollars in thousands)	(Dollars in thousands)	Outstanding Balance	Loan Commitments	Total Exposure	% of Total	(Dollars in thousands)	Outstanding Balance	Loan Commitments	Total Exposure	
Commercial real estate, other:	Commercial real estate, other:					Commercial real estate, other:				
Apartment complexes	Apartment complexes	\$ 319,373	\$ 1,854	\$ 321,227	14.2	14.2 %	Apartment complexes	\$ 359,371	\$ 3,289	
Retail facilities:										
Owner occupied										
Owner occupied										
Owner occupied		\$ 50,296	\$ 1,644	\$ 51,940	2.3	2.3 %	\$ 42,988	\$ 1,527	\$ 44,515	
Non-owner occupied	Non-owner occupied	237,202	803	238,005	10.5	10.5 %	Non-owner occupied	213,449	517	213,966
Total retail facilities	Total retail facilities	\$ 287,498	\$ 2,447	\$ 289,945	12.8	12.8 %	Total retail facilities	\$ 256,437	\$ 2,044	\$ 258,481
Light industrial facilities:	Light industrial facilities:									
Owner occupied	Owner occupied	\$ 143,432	\$ 6,539	\$ 149,971	6.6	6.6 %	Owner occupied	\$ 144,577	\$ 6,574	\$ 151,151
Non-owner occupied	Non-owner occupied	100,506	4,107	104,613	4.6	4.6 %	Non-owner occupied	95,207	3,429	98,636
Total light industrial facilities	Total light industrial facilities	\$ 243,938	\$ 10,646	\$ 254,584	11.2	11.2 %	Total light industrial facilities	\$ 239,784	\$ 10,003	\$ 249,787
Office buildings and complexes:	Office buildings and complexes:									
Owner occupied	Owner occupied	\$ 82,169	\$ 2,905	\$ 85,074	3.8	3.8 %	Owner occupied	\$ 76,328	\$ 2,434	\$ 78,762
Non-owner occupied	Non-owner occupied	124,533	7,746	132,279	5.8	5.8 %	Non-owner occupied	122,198	5,253	127,451
Total office buildings and complexes	Total office buildings and complexes	\$ 206,702	\$ 10,651	\$ 217,353	9.6	9.6 %	Total office buildings and complexes	\$ 198,526	\$ 7,687	\$ 206,213

Lodging and lodging related:															
Owner occupied															
Owner occupied															
Owner occupied															
		\$	30,028	\$	—	\$	30,028	1.3	1.3 %	\$	29,808	\$	—	\$	29,808
Non-owner occupied	Non-owner occupied	123,999	1	1	124,000	124,000	5.5	5.5 %	Non-owner occupied	122,803	1	1	122,804		
Total lodging and lodging related	Total lodging and lodging related	\$	154,027	\$	1	\$	154,028	6.8	6.8 %	Total lodging and lodging related	\$	152,611	\$	1	\$
Assisted living facilities and nursing homes	Assisted living facilities and nursing homes	\$	139,949	\$	1,381	\$	141,330	6.2	6.2 %	Assisted living facilities and nursing homes	\$	131,865	\$	1,107	\$
Warehouse facilities:															
Owner occupied															
Owner occupied															
Owner occupied															
		\$	40,823	\$	617	\$	41,440	1.8	1.8 %	\$	40,287	\$	398	\$	40,685
Non-owner occupied	Non-owner occupied	37,340	121	121	37,461	37,461	1.7	1.7 %	Non-owner occupied	35,937	219	219	36,156		
Total warehouse facilities	Total warehouse facilities	\$	78,163	\$	738	\$	78,901	3.5	3.5 %	Total warehouse facilities	\$	76,224	\$	617	\$
Restaurant/bar facilities:															
Owner occupied															
Owner occupied															
Owner occupied															
		\$	40,611	\$	247	\$	40,858	1.8	1.8 %	\$	38,185	\$	—	\$	38,185
Non-owner occupied	Non-owner occupied	35,212	—	—	35,212	35,212	1.6	1.6 %	Non-owner occupied	32,407	—	—	32,407		
Total restaurant/bar facilities	Total restaurant/bar facilities	\$	75,823	\$	247	\$	76,070	3.4	3.4 %	Total restaurant/bar facilities	\$	70,592	\$	—	\$
Mixed-use facilities:															
Owner occupied															
Owner occupied															
Owner occupied															
		\$	37,535	\$	1,164	\$	38,699	1.7	1.7 %	\$	37,060	\$	1,171	\$	38,231
Non-owner occupied	Non-owner occupied	28,071	1,652	1,652	29,723	29,723	1.3	1.3 %	Non-owner occupied	27,448	1,523	1,523	28,971		
Total mixed-use facilities	Total mixed-use facilities	\$	65,606	\$	2,816	\$	68,422	3.0	3.0 %	Total mixed-use facilities	\$	64,508	\$	2,694	\$
Education services:															
Healthcare facilities:															
Healthcare facilities:															
Healthcare facilities:															
Owner occupied															
Owner occupied															
Owner occupied															
		\$	15,390	\$	—	\$	15,390	0.7	0.7 %	\$	39,810	\$	198	\$	40,008
Non-owner occupied	Non-owner occupied	29,512	4,000	4,000	33,512	33,512	1.5	1.5 %	Non-owner occupied	15,495	783	783	16,278		
Total education services		\$	44,902	\$	4,000	\$	48,902	2.2 %							
Total healthcare facilities		\$	55,305	\$	981	\$	56,286	2.5 %							
Other (a)															
Other (a)															

Other (a)		579,998	33,939	33,939	613,937	613,937	27.1	27.1 %	575,268	32,782	32,782	608,050	608,050
<b>Total commercial real estate, other</b>	<b>Total commercial real estate, other</b>	<b>\$ 2,195,979</b>	<b>\$</b>	<b>68,720</b>	<b>\$</b>	<b>2,264,699</b>	<b>100.0</b>	<b>100.0 %</b>	<b>Total commercial real estate, other</b>	<b>\$2,180,491</b>	<b>\$</b>	<b>61,205</b>	<b>\$ 2,241,696</b>

(a) All other total exposures by industry are less than 2% of the Total Exposure.

Peoples' commercial lending activities continue to focus on lending opportunities within Ohio, Kentucky, West Virginia, Virginia, Washington, D.C. and Maryland. For all other states, the aggregate outstanding balances of commercial loans in each state were less than 3% of total loans at **June 30, 2024**, **September 30, 2024** and December 31, 2023. The repayment of premium finance loans is secured by the underlying insurance policy prepaid premium, and therefore, has no geographical impact from a repayment perspective. The repayment of leases is secured by the underlying equipment collateral and not real estate, which mitigates geographic risk.

67.69

## Table of Contents

### Allowance for Credit Losses

The amount of the allowance for credit losses at the end of each period represents management's estimate of expected losses from existing loans based upon its quarterly analysis of the loan portfolio. While this process involves allocations being made to specific loans and pools of loans, the entire allowance is available for all losses expected within the loan portfolio.

The following details management's allocation of the allowance for credit losses:

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023		September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)	(Dollars in thousands)
Construction											
Commercial real estate, other											
Commercial and industrial											
Premium finance											
Leases											
Residential real estate											
Residential real estate											
Residential real estate											
Home equity lines of credit											
Consumer, indirect											
Consumer, direct											
Deposit account overdrafts											
Deposit account overdrafts											
Deposit account overdrafts											
<b>Allowance for credit losses</b>											
As a percent of total loans	1.05 %	1.05 %	1.01 %	1.03 %	1.02 %	As a percent of total loans	1.06 %	1.05 %	1.05 %	1.01 %	1.03 %

The increase in the allowance for credit losses at **June 30, 2024**, **September 30, 2024** compared to **March 31, 2024**, **June 30, 2024** was primarily due to an increase of reserves on for individually analyzed loans and leases. The increase in the allowance balance at **June 30, 2024**, **September 30, 2024** when compared to **June 30, 2023**, **September 30, 2023** was driven by loan growth and a deterioration increase in macro-economic conditions used within the CECL model, partially offset by a release of reserves on for individually analyzed loans and leases. leases and loan growth.

Additional information regarding Peoples' allowance for credit losses can be found in "Note 1 Summary of Significant Accounting Policies" in Peoples' 2023 Form 10-K and "Note 4 Loans and Leases" of the Notes to the Unaudited Condensed Consolidated Financial Statements in this Form 10-Q.

The following table summarizes Peoples' net charge-offs and recoveries:

	Three Months Ended				
	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
(Dollars in thousands)		68.70			



Commercial and industrial	1	10	7	98	3
Premium finance	4	4	8	—	12
Leases	56	173	212	25	168
Residential real estate	58	68	83	67	27
Home equity lines of credit	—	—	7	1	—
Consumer, indirect	186	117	71	130	149
Consumer, direct	19	15	9	12	11
Consumer	205	132	80	142	160
Deposit account overdrafts	83	67	74	103	49
Total recoveries	\$ 507	\$ 374	\$ 554	\$ 1,261	\$ 516
<b>Net charge-offs (recoveries):</b>					
Construction	\$ —	\$ —	\$ —	\$ —	\$ —
Commercial real estate, other	(100)	80	129	(529)	181
Commercial and industrial	258	46	228	542	196
Premium finance	33	51	46	43	21
Leases	3,697	2,204	1,058	1,994	737
Residential real estate	(58)	(4)	(3)	(47)	23
Home equity lines of credit	2	9	(7)	3	32
Consumer, indirect	1,634	1,450	1,390	1,104	777
Consumer, direct	143	126	217	130	81
Consumer	1,777	1,576	1,607	1,234	858
Deposit account overdrafts	475	271	262	249	270
Total net charge-offs	\$ 6,084	\$ 4,233	\$ 3,320	\$ 3,489	\$ 2,318
<b>Ratio of net charge-offs (recoveries) to average total loans (annualized):</b>					
Construction	— %	— %	— %	— %	— %
Commercial real estate, other	(0.01)%	0.01 %	0.01 %	(0.03)%	0.01 %
Commercial and industrial	0.02 %	— %	0.02 %	0.03 %	0.01 %
Premium finance	— %	— %	— %	— %	— %
Leases	0.23 %	0.14 %	0.07 %	0.13 %	0.05 %
Residential real estate	— %	— %	— %	— %	— %
Home equity lines of credit	— %	— %	— %	— %	— %
Consumer, indirect	0.10 %	0.09 %	0.09 %	0.07 %	0.05 %
Consumer, direct	0.01 %	0.01 %	0.01 %	0.01 %	0.01 %
Consumer	0.11 %	0.10 %	0.10 %	0.08 %	0.06 %
Deposit account overdrafts	0.03 %	0.02 %	0.02 %	0.02 %	0.02 %
Total	0.38 %	0.27 %	0.22 %	0.23 %	0.15 %

71

[Table of Contents](#)

Each with "--%" not meaningful.

Total net charge-offs during the **second third** quarter of 2024 were **\$4.2 million** **\$6.1 million**, or **0.27%** **0.38%** of average total loans on an annualized basis, compared to **\$3.3 million** **\$4.2 million**, or **0.22%** **0.27%** of average total loans on an annualized basis, during the linked quarter and **\$1.2 million** **\$2.3 million**, or **0.09%** **0.15%** of average total loans on an annualized basis, during the **second third** quarter of 2023. The increase for the **second third** quarter of 2024 when compared to the linked quarter was driven by an increase in net charge-offs on leases originated by our North Star Leasing **business, division**. The increase in net charge-offs during the **second third** quarter of 2024 versus the prior year **second third** quarter was primarily attributable to an increase in charge-offs on **(i)** leases originated by our North Star Leasing **business, (ii) division and** indirect consumer **loans, and (iii) commercial and industrial** loans.

69 72

[Table of Contents](#)

The following table details Peoples' nonperforming assets:

	(Dollars in thousands)	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	(Dollars in thousands)	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(Dollars in thousands)												
Loans 90+ days past due and accruing:	Loans 90+ days past due and accruing:						Loans 90+ days past due and accruing:					
Commercial real estate, other												
Commercial real estate, other												
Commercial real estate, other												
Commercial and industrial												
Premium finance												
Leases												
Residential real estate												
Home equity lines of credit												
Consumer, indirect												
Consumer, direct												
Consumer												
Total loans 90+ days past due and accruing												
Nonaccrual loans:												
Commercial real estate, other												
Commercial real estate, other												
Commercial real estate, other												
Commercial and industrial												
Leases												
Residential real estate												
Home equity lines of credit												
Consumer, indirect												
Consumer, direct												
Consumer												
Total nonaccrual loans												
Total nonperforming loans ("NPLs")												
Total nonperforming loans ("NPLs")												
Total nonperforming loans ("NPLs")												
OREO:												
Commercial												
Commercial												
Commercial												
Residential												
Total OREO												
Total nonperforming assets ("NPAs")												
Criticized loans (a)												
Classified loans (b)												



## Asset Quality Ratios

(c):

Nonaccrual loans as a percent of total loans

Nonaccrual loans as a percent of total loans

Nonaccrual loans as a percent of total loans		0.53 %	0.51 %	0.41 %	0.43 %	0.48 %	0.55 %	0.53 %	0.51 %	0.41 %	0.43 %	%
NPLs as a percent of total loans (d)	NPLs as a percent of total loans (d)	0.65 %	0.63 %	0.52 %	0.58 %	0.58 %	NPLs as a percent of total loans (d)	0.99 %	0.65 %	0.63 %	0.52 %	0.58 %
NPAs as a percent of total assets (d)	NPAs as a percent of total assets (d)	0.53 %	0.50 %	0.43 %	0.48 %	0.48 %	NPAs as a percent of total assets (d)	0.76 %	0.53 %	0.50 %	0.43 %	0.48 %
NPAs as a percent of total loans and OREO (d)	NPAs as a percent of total loans and OREO (d)	0.77 %	0.74 %	0.64 %	0.70 %	0.70 %	NPAs as a percent of total loans and OREO (d)	1.11 %	0.77 %	0.74 %	0.64 %	0.70 %
Allowance for credit losses as a percent of nonaccrual loans	Allowance for credit losses as a percent of nonaccrual loans	196.76 %	206.70 %	245.79 %	240.29 %	212.57 %	Allowance for credit losses as a percent of nonaccrual loans	191.45 %	196.76 %	206.70 %	245.79 %	240.29 %
Allowance for credit losses as a percent of NPLs (d)	Allowance for credit losses as a percent of NPLs (d)	160.56 %	166.11 %	194.38 %	178.23 %	176.30 %	Allowance for credit losses as a percent of NPLs (d)	106.82 %	160.56 %	166.11 %	194.38 %	178.23 %
Criticized loans as a percent of total loans (a)	Criticized loans as a percent of total loans (a)	3.79 %	4.14 %	3.82 %	3.50 %	3.68 %	Criticized loans as a percent of total loans (a)	3.79 %	3.79 %	4.14 %	3.82 %	3.50 %
Classified loans as a percent of total loans (b)	Classified loans as a percent of total loans (b)	1.90 %	2.38 %	1.95 %	2.05 %	1.86 %	Classified loans as a percent of total loans (b)	2.12 %	1.90 %	2.38 %	1.95 %	2.05 %

(a) Includes loans categorized as special mention, substandard or doubtful.

(b) Includes loans categorized as substandard or doubtful.

(c) Data presented as of the end of the period indicated.

(d) NPLs include loans 90+ days past due and accruing and nonaccrual loans. NPAs include nonperforming loans and OREO.

7073

## Table of Contents

Compared to at **March 31, 2024** **June 30, 2024**, Peoples' NPAs increased from **0.50%** **0.53%** of total assets to **0.53%** **0.76%** at **June 30, 2024** **September 30, 2024**. Total loans 90+ days past due and accruing **decreased** and nonaccrual loans in total increased at **June 30, 2024** **September 30, 2024** compared to at **March 31, 2024**, mostly **June 30, 2024** due primarily to **decreases** **increases** in nonperforming leases. Total nonaccrual loans 90+ days past due increased from \$7.6 million at **June 30, 2024** compared **June 30, 2024** to \$27.6 million at **March 31, 2024** **September 30, 2024**, mostly due to and were impacted by increases in **nonaccrual** leases, **premium finance loans**, and other commercial real estate, estate loans. The increase in loans 90+ days past due is driven by higher administrative delinquencies on Vantage leases and premium finance loans. During the **second** third quarter of 2024, criticized loans decreased **\$16.6 million** **\$2.3 million**, while classified loans **decreased** **\$27.3 million** **increased** **\$13.1 million** when compared to at **March 31, 2024** **June 30, 2024**. The decrease in the amounts of criticized loans compared to at **March 31, 2024** **June 30, 2024** was primarily driven by **by loan** paydowns and upgrades and several large criticized loan pay-offs, of the risk rating. The **decrease** **increase** in the amount of classified loans compared to at **March 31, 2024** **June 30, 2024** was primarily by loan upgrades and classified loan pay-offs, due to downgrades in the risk rating from newly reported loans. The increase in NPAs compared to at December 31, 2023, was primarily driven by increases of nonaccrual leases originated by our North Star Leasing **business, division**, commercial and industrial loans, and other commercial real estate loans. The increase in NPAs compared to at **June 30, 2023** **September 30, 2023**, was impacted by the increase of **in** nonaccrual leases originated by our North Star Leasing **business division** and an increase in loans past due and accruing.

## Deposits

The following table details Peoples' deposit balances:

		June March December September June					September June March December September				
		30,	31,	31,	30,	30,	30,	30,	31,	31,	30,
		2024	2024	2023	2023	2023	2024	2024	2024	2023	2023

(Dollars in thousands)

Non-interest-bearing deposits (a)

Interest-bearing deposits:

Interest-bearing demand accounts (a)
Interest-bearing demand accounts (a)
Interest-bearing demand accounts (a)
Savings accounts
Retail CDs
Money market deposit accounts
Governmental deposit accounts
Brokered CDs
Total interest-bearing deposits

Total deposits													
Demand deposits as a percent of total deposits	Demand deposits as a percent of total deposits	35 %	35 %	38 %	39 %	42 %	Demand deposits as a percent of total deposits	34 %	35 %	35 %	38 %	39 %	

(a) The sum of amounts presented is considered total demand deposits.

At **June 30, 2024** **September 30, 2024**, period-end total deposits decreased \$28.8 million increased \$185.4 million, or 3%, compared to at **March 31, 2024** **June 30, 2024**, primarily driven by **decreases** **increases** of (i) **\$70.8 million** **\$83.3 million** in brokered **CDs**, **certificates of deposit**, (ii) **\$58.8 million** **\$71.3 million** in **governmental deposits**, **retail certificates of deposit**, and (iii) **\$24.2 million** **\$57.8 million** in interest-bearing demand **governmental deposit accounts**, partially offset by **an increase** **a decrease of \$132.5 million** **\$19.3 million** in **retail CDs**, **non-interest bearing deposits**. The increase in retail **CDs** **certificates of deposits** was due to current specials being offered, while the **decrease** **increase** in governmental deposit accounts was due to the seasonality of those **balances, which are typically higher** **balances**. The increase in brokered deposits was due to the **first quarter**, **lower-cost of funding** available compared to Federal Home Loan Bank ("FHLB") advances.

At **June 30, 2024** **September 30, 2024**, period-end total deposits increased **\$337.9 million** **\$445.6 million**, or **5%** **6%**, compared to at **June 30, 2023** **September 30, 2023**. The increase was primarily driven by increases of **\$862.1 million** **\$685.4 million** in retail **CDs**, **\$150.5 million** **certificates of deposit**, **\$163.8 million** in money market deposit accounts, and **\$60.7 million** **\$62.5 million** in governmental deposit accounts, offset by decreases of **\$236.1 million** **\$122.2 million**, **\$209.9 million** **\$115.7 million**, **\$147.3 million** **\$115.2 million**, and **\$142.1 million** **\$113.0 million** in savings accounts, non-interest bearing deposits, **brokered CDs**, and interest-bearing demand deposit accounts and brokered certificates of deposit, respectively. The increase in retail **CDs** **certificates of deposits** was driven by current promotions being offered. **Given the rate environment, there has been a mix shift in the deposit portfolio over the last twelve months.**

As part of its funding strategy, Peoples hedges 90-day brokered CDs with interest rate swaps. The interest rate swaps pay a fixed rate of interest while receiving a floating rate component of interest tied to term SOFR, which offsets the rate on the brokered CDs. As of **June 30, 2024** **September 30, 2024**, Peoples had 9 effective interest rate swaps, with an aggregate notional value of \$85.0 million, which were designated as cash flow **hedges of overnight brokered CDs and are expected to be extended every 90 days through the maturity dates of the interest rate swaps**, **hedges**. Peoples continually evaluates the overall balance sheet position given the interest rate environment.

7174

[Table of Contents](#)

Borrowed Funds

The following table details Peoples' short-term borrowings and long-term borrowings:

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023		September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(Dollars in thousands)	(Dollars in thousands)					(Dollars in thousands)					
Short-term borrowings:	Short-term borrowings:					Short-term borrowings:					
FHLB Overnight borrowings											
Retail repurchase agreements											
Retail repurchase agreements											
Retail repurchase agreements											
Bank Term Funding Program ("BTFP")											
Total short-term borrowings											
Total short-term borrowings											
Total short-term borrowings											
Long-term borrowings:											
FHLB advances											
FHLB advances											

FHLB advances
Vantage non-recourse debt
Vantage non-recourse debt
Vantage non-recourse debt
Other long-term borrowings
Total long-term borrowings
<b>Total borrowed funds</b>

Total borrowed funds, which include overnight borrowings, are mainly a function of loan growth and changes in total deposit balances. Other long-term borrowings include trust preferred securities held for investments and floating rate junior subordinated deferrable interest debentures. Total borrowed funds at **June 30, 2024** **September 30, 2024** decreased compared to at **March 31, 2024** **June 30, 2024** and at **September 30, 2023**, primarily due to lower **retail repurchase agreements**. Total long-term borrowings at **June 30, 2024** increased when compared to at **June 30, 2023** due to an increase in **FHLB long term advances**, **overnight borrowings**.

#### Capital/Stockholders' Equity

At **June 30, 2024** **September 30, 2024**, capital levels for both Peoples and Peoples Bank remained substantially higher than the minimum amounts needed to be considered "well capitalized" institutions under applicable banking regulations. These higher capital levels reflect Peoples' desire to maintain a strong capital position. In order to avoid limitations on dividends, equity repurchases and compensation, Peoples must exceed the three minimum required ratios by at least the capital conservation buffer of 2.50%, which applies to the common equity tier 1 ("CET1") ratio, the tier 1 capital ratio and the total risk-based capital ratio. At **June 30, 2024** **September 30, 2024**, Peoples had a capital conservation buffer of **5.66%** **5.49%**.

The following table details Peoples' risk-based capital levels and corresponding ratios:

(Dollars in thousands)	(Dollars in thousands)	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	(Dollars in thousands)	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
<b>Capital Amounts:</b>	<b>Capital Amounts:</b>						<b>Capital Amounts:</b>					
Common Equity												
Tier 1												
Tier 1												
Total (Tier 1 and Tier 2)												
Net risk-weighted assets												
<b>Capital Ratios:</b>												
Common Equity Tier 1												
Common Equity Tier 1												
Common Equity Tier 1		11.76 %	11.69 %	11.75 %	11.57 %	11.36 %		11.80 %	11.74 %	11.69 %	11.75 %	11.57 %
Tier 1	Tier 1	12.55 %	12.50 %	12.58 %	12.31 %	12.10 %	Tier 1	12.59 %	12.53 %	12.50 %	12.58 %	12.31 %
Total (Tier 1 and Tier 2)	Total (Tier 1 and Tier 2)	13.47 %	13.40 %	13.38 %	13.14 %	12.92 %	Total (Tier 1 and Tier 2)	13.49 %	13.44 %	13.40 %	13.38 %	13.14 %
Tier 1 leverage ratio	Tier 1 leverage ratio	9.65 %	9.43 %	9.57 %	9.34 %	9.64 %	Tier 1 leverage ratio	9.86 %	9.56 %	9.43 %	9.57 %	9.34 %

Peoples' risk-based capital ratios at **June 30, 2024** **September 30, 2024** increased when compared to **March 31, 2024** **June 30, 2024**, due to net income during the quarter, partially offset by dividends paid. Compared to at **June 30, 2023** **September 30, 2023**, the tier 1 risk-based capital and the total risk-based capital ratios improved due to higher net income, partially offset by **the impact of the Limestone Merger and** dividends paid. The common equity tier 1 risk-based capital ratio at **June 30, 2024** **September 30, 2024** also increased compared to at **June 30, 2023** **September 30, 2023** due to higher net income.

In addition to traditional capital measurements, management uses tangible capital measures to evaluate the adequacy of Peoples' stockholders' equity. Such ratios represent Non-US GAAP financial measures since their calculation removes the impact of goodwill and other intangible assets acquired through acquisitions on amounts reported in the Unaudited Consolidated Balance Sheets. Management believes this information is useful to investors since it facilitates the comparison of Peoples' operating performance, financial condition and trends to peers, especially those without a similar level of intangible assets to that of Peoples. Further, intangible assets generally are difficult to convert into cash, especially during a financial crisis, and could decrease substantially in

72 75

[Table of Contents](#)

value should there be deterioration in the overall franchise value. As a result, tangible equity represents a conservative measure of the capacity for Peoples to incur losses but remain solvent.

The following table reconciles the calculation of these Non-US GAAP financial measures to amounts reported in Peoples' Unaudited Condensed Consolidated Financial Statements:

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023		September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(Dollars in thousands)	(Dollars in thousands)					(Dollars in thousands)					
<b>Tangible equity:</b>	<b>Tangible equity:</b>					<b>Tangible equity:</b>					
Total stockholders' equity											
Less: goodwill and other intangible assets											
Tangible equity											
<b>Tangible assets:</b>											
<b>Tangible assets:</b>											
<b>Tangible assets:</b>											
Total assets											
Total assets											
Total assets											
Less: goodwill and other intangible assets											
Tangible assets											
<b>Tangible book value per common share:</b>											
<b>Tangible book value per common share:</b>											
<b>Tangible book value per common share:</b>											
Tangible equity											
Tangible equity											
Tangible equity											
Common shares outstanding											
Tangible book value per common share											
Tangible book value per common share											
Tangible book value per common share											
<b>Tangible equity to tangible assets ratio:</b>											
<b>Tangible equity to tangible assets ratio:</b>											
<b>Tangible equity to tangible assets ratio:</b>											
Tangible equity											
Tangible equity											
Tangible equity											
Tangible assets											
Tangible equity to tangible assets											
Tangible equity to tangible assets											
Tangible equity to tangible assets	7.61 %	7.37 %	7.33 %	6.85 %	7.00 %		8.25 %	7.61 %	7.37 %	7.33 %	6.85 %

Tangible book value per common share increased to \$20.29 at September 30, 2024 compared to \$18.91 at June 30, 2024 compared to \$18.39 at March 31, 2024. The change in tangible book value per common share was due to tangible equity increasing during the second third quarter of 2024 primarily due to net income and a decrease in accumulated other comprehensive loss over the last three months. Tangible book value per common share at June 30, 2024 September 30, 2024 increased compared to at June 30, 2023 September 30, 2023 primarily due to net income over the last twelve months.

### Interest Rate Sensitivity and Liquidity

While Peoples is exposed to various business risks, the risks relating to interest rate sensitivity and liquidity are major risks that can materially impact future results of operations and financial condition due to their complexity and dynamic nature. The objective of Peoples' asset-liability management function is to measure and manage these risks in order to optimize net interest income within the constraints of prudent capital adequacy, liquidity and safety. This objective requires Peoples to focus on interest rate risk exposure and adequate liquidity through its management of the mix of assets and liabilities, their related cash flows and the rates earned and paid on those assets and liabilities. Ultimately, the asset-liability management function is intended to guide management in the acquisition and disposition of earning assets and selection of appropriate funding sources.

#### Interest Rate Risk

Interest rate risk ("IRR") is one of the most significant risks arising in the normal course of business of financial services companies like Peoples. IRR is the potential for economic loss due to future interest rate changes that can impact the earnings stream, as well as market values, of financial assets and financial liabilities. Peoples' exposure to IRR is due primarily to differences in the maturity or repricing of earning assets and interest-bearing liabilities. In addition, other factors, such as prepayments of loans and investment securities, or early withdrawal of deposits, can affect Peoples' exposure to IRR and impact interest costs or revenue streams.

Peoples has assigned overall management of IRR to its Asset-Liability Committee (the "ALCO"), which has established an IRR management policy that sets minimum requirements and guidelines for monitoring and managing the level of IRR, including the review of assumptions used in modeling IRR.

The following table shows the estimated changes in net interest income and the economic value of equity based upon a standard, parallel shock analysis with balances held constant (dollars in thousands):

Increase (Decrease) in Interest Rate  (in Basis Points)	Increase (Decrease) in Interest Rate  (in Basis Points)	Estimated Increase (Decrease) in Net Interest Income									Estimated (Decrease) Increase in Economic Value of Equity			Increase (Decrease) in Interest Rate			
							December 31, 2023							December 31, 2023		(in Basis Points)	
		June 30, 2024									June 30, 2024						
300	300	\$	5,530	1.6	1.6	%	\$	15,063	4.6	4.6	%	\$	(154,437)	(9.0)	(9.0)	%	\$
200	200		3,884	1.1	1.1	%		10,282	3.1	3.1	%		(101,233)	(5.9)	(5.9)	%	
100	100		2,147	0.6	0.6	%		5,468	1.7	1.7	%		(47,291)	(2.7)	(2.7)	%	
(100)	(100)		(6,639)	(1.9)	(1.9)	%		(7,427)	(2.3)	(2.3)	%		23,298	1.4	1.4	%	
(200)	(200)		(14,963)	(4.4)	(4.4)	%		(15,446)	(4.7)	(4.7)	%		23,311	1.4	1.4	%	
(300)	(300)		(16,646)	(4.9)	(4.9)	%		(16,822)	(5.1)	(5.1)	%		7,287	0.4	0.4	%	

This table uses a standard, parallel shock analysis for assessing the IRR to net interest income and the economic value of equity. A parallel shock assumes all points on the yield curve (one year, two year, three year, etc.) are directionally changed by the same degree. Management regularly assesses the impact of both increasing and decreasing interest rates. The table above shows the impact of upward and downward parallel shocks of 100, 200 and 300 basis points.

Estimated changes in net interest income and the economic value of equity are partially driven by assumptions regarding the rate at which non-maturity deposits will reprice given a move in short-term interest rates, as well as assumptions regarding prepayment speeds on mortgage-backed securities. These and other modeling assumptions are monitored closely by Peoples on an ongoing basis.

While parallel interest rate shock scenarios are useful in assessing the level of IRR inherent in the balance sheet, interest rates typically move in a nonparallel manner with differences in the timing, direction and magnitude of changes in short-term and long-term interest rates. Thus, any impact that might occur as a result of the Federal Reserve Board increasing short-term interest rates in the future could be offset by an inverse movement in long-term interest rates, and vice versa. For this reason, Peoples considers other interest rate scenarios in addition to analyzing the impact of parallel yield curve shifts. These include various flattening and steepening scenarios in which short-term and long-term interest rates move in different directions with varying magnitude. Peoples believes these scenarios to be more reflective of how interest rates change versus the severe parallel rate shocks described above. Given the shape of market yield curves at **June 30, 2024** **September 30, 2024**, consideration of the bear steepener and **bear flattener** **bull steepener** scenarios provide insights which were not captured by parallel shifts.

The bear steepener scenario highlights the risk to net interest income and economic value of equity when short-term interest rates remain constant while long-term interest rates rise. In such a scenario, Peoples' deposit and borrowing costs, which are generally correlated with short-term interest rates, remain constant, while asset yields, which are correlated with long-term interest rates, rise. At **June 30, 2024** **September 30, 2024**, the bear steepener scenario produced an increase in net interest income of 0.8% and an increase in the economic value of equity of 5.6%.

The **bear flattener** **bull steepener** scenario highlights the risk to net interest income and the economic value of equity when short-term rates **rise while fall faster than** long-term rates remain constant. rates. In such a scenario, Peoples' **variable rate asset yields along with** deposit and short-term borrowing costs, which are correlated with short-term rates, **increase, decrease**, while long-term asset yields and long-term borrowing costs, which are more correlated with long-term rates, remain constant. **Increased Decreased** deposit and funding costs would be more than offset by increased variable rate asset **yields; yields over a longer horizon**; resulting in an increased amount of net interest income and **a higher net interest margin. margin over a 24-month period**. At **June 30, 2024** **September 30, 2024**, the **bear flattener** **bull steepener** scenario produced a decline of 0.4% to net interest income, as the impact of recent term funding mitigates the impact of lower short-term rates over a 12-month horizon, and an increase in the economic value of equity of 2.8%. Over a 24-month horizon, the bull steepener scenario produced an increase of 1.0% to net interest **income and a decline in the economic value of equity of 1.8% income.**

Peoples has entered into interest rate swaps as part of its interest rate risk management strategy. These interest rate swaps are designated as cash flow hedges and involve the receipt of variable rate amounts from a counterparty in exchange for Peoples making fixed payments. As of **June 30, 2024** **September 30, 2024**, Peoples had entered into 9 interest rate swap contracts with an aggregate notional value of \$85.0 million. Additional information regarding Peoples' interest rate swaps can be found in "Note 10 Derivative Financial Instruments" of the Notes to the Unaudited Condensed Consolidated Financial Statements.

At **June 30, 2024** **September 30, 2024**, Peoples' Unaudited Consolidated Balance Sheet was positioned to benefit from rising interest rates, **in terms of while also mitigating** the **potential impact on to net interest income. income decreasing rate scenarios**. The table above illustrates this point as changes to net interest income increase in the rising interest rate scenarios.

#### Liquidity

In addition to IRR management, another major objective of the ALCO is to maintain a sufficient level of liquidity. In light of the bank failures in 2023, Peoples revisited the model assumptions, and determined the methods used by the ALCO to monitor

and evaluate the adequacy of Peoples Bank's liquidity position remain appropriate and are largely unchanged from those disclosed in Peoples' 2023 Form 10-K.

At **June 30, 2024** **September 30, 2024**, Peoples Bank had liquid assets of **\$408.8 million** **\$444.5 million**, which represented **4.0%** **4.3%** of total assets and unfunded loan commitments. Peoples also had an additional **\$156.7 million** **\$167.0 million** of unpledged investment securities not included in the measurement of liquid assets.

Management believes the current mix of short-term liquidity sources, loan and security portfolio cash flows, and availability of other funding sources will allow Peoples to meet anticipated cash obligations, as well as special needs and off-balance sheet commitments.

### Off-Balance Sheet Activities and Contractual Obligations

In the normal course of business, Peoples is a party to financial instruments with off-balance sheet risk necessary to meet the financing needs of Peoples' customers. These financial instruments include commitments to extend credit and standby letters of credit. The instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized in the Unaudited Consolidated Balance Sheets. The contract amounts of these instruments express the extent of involvement Peoples has in these financial instruments.

### Loan Commitments and Standby Letters of Credit

Loan commitments are made to accommodate the financial needs of Peoples' customers. Standby letters of credit are instruments issued by Peoples Bank guaranteeing the beneficiary payment by Peoples Bank in the event of default by Peoples Bank's customer in the performance of an obligation or service. Historically, most loan commitments and standby letters of credit expire unused. Peoples Bank's exposure to credit loss in the event of nonperformance by the counter-party to the financial instrument for loan commitments and standby letters of credit is represented by the contractual amount of those instruments. Peoples Bank uses the same underwriting standards in making commitments and conditional obligations as it does for on-balance sheet instruments. The amount of collateral obtained is based on management's credit evaluation of the customer. Collateral held varies, but may include accounts receivable, inventory, property, plant, and equipment, and income-producing commercial properties.

Peoples Bank routinely engages in activities that involve, to varying degrees, elements of risk that are not reflected in whole or in part in the Unaudited Condensed Consolidated Financial Statements. These activities are part of Peoples Bank's normal course of business and include traditional off-balance sheet credit-related financial instruments, interest rate contracts and commitments to make additional capital contributions in low-income housing tax credit investments. Traditional off-balance sheet credit-related financial instruments continue to represent the most significant off-balance sheet exposure.

The following table details the total contractual amount of loan commitments and standby letters of credit:

	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023		September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023
(Dollars in thousands)	(Dollars in thousands)					(Dollars in thousands)					
Home equity lines of credit											
Unadvanced construction loans											
Other loan commitments											
Loan commitments											
Standby letters of credit											

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information called for by this Item 3 is provided under the caption **"Interest** **FINANCIAL CONDITION - Interest** Rate Sensitivity and Liquidity" under "ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" in this Form 10-Q, and is incorporated herein by reference.

### ITEM 4. CONTROLS AND PROCEDURES

#### Evaluation of Disclosure Controls and Procedures

Peoples' management, with the participation of Peoples' President and Chief Executive Officer and Peoples' Executive Vice President, Chief Financial Officer and Treasurer, has evaluated the effectiveness of Peoples' disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of **June 30, 2024** **September 30, 2024**. Based upon that evaluation, Peoples' President and Chief Executive Officer and Peoples' Executive Vice President, Chief Financial Officer and Treasurer have concluded that:

- (a) information required to be disclosed by Peoples in this Quarterly Report on Form 10-Q and other reports Peoples files or submits under the Exchange Act would be accumulated and communicated to Peoples' management, including its President and Chief Executive Officer and its Executive Vice President, Chief Financial Officer and Treasurer, as appropriate to allow timely decisions regarding required disclosure;

75 78

[Table of Contents](#)

- (b) information required to be disclosed by Peoples in this Quarterly Report on Form 10-Q and other reports Peoples files or submits under the Exchange Act would be recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and
- (c) Peoples' disclosure controls and procedures were effective as of the end of the fiscal quarter covered by this Quarterly Report on Form 10-Q.

#### Changes in Internal Control Over Financial Reporting

There were no changes in Peoples' internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during Peoples' fiscal quarter ended **June 30, 2024** **September 30, 2024**, that have materially affected, or are reasonably likely to materially affect, Peoples' internal control over financial reporting.

## PART II - OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

Peoples or one of its subsidiaries from time to time is engaged in various litigation matters including the defense of claims of improper loan or deposit practices or lending violations. In addition, in the ordinary course of their respective businesses or operations, Peoples or one of its subsidiaries may be named as a plaintiff, a defendant, or a party to a legal proceeding or any of their respective properties may be subject to various pending and threatened legal proceedings and various actual and potential claims. In view of the inherent difficulty of predicting the outcome of such matters, Peoples cannot state what the eventual outcome of any such matters will be; however, based on management's current knowledge and after consultation with legal counsel, Peoples' management believes that damages, if any, and other amounts related to pending legal proceedings will not have a material adverse effect on the consolidated financial position, results of operations or liquidity of Peoples.

## ITEM 1A. RISK FACTORS

There have been no material changes from those risk factors previously disclosed under "ITEM 1A. RISK FACTORS" of Part I of Peoples' 2023 Form 10-K. These risk factors are not the only risks Peoples faces. Additional risks and uncertainties not currently known to management or that management currently deems to be immaterial also may materially adversely affect Peoples' business, financial condition and/or operating results.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

- (a) Not applicable.
- (b) Not applicable.
- (c) The following table details repurchases by Peoples and purchases by "affiliated purchasers" as defined in Rule 10b-18(a)(3) under the Exchange Act of Peoples' common shares during the three months ended **June 30, 2024** **September 30, 2024**:

Period	Total Number of Common Shares Purchased	Average Price Paid per Common Share	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Maximum Number (or Approximate Dollar Value) of Common Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
April 1 – 30, 2024	3,860 <sup>(2)(3)</sup>	\$ 28.34 <sup>(2)(3)</sup>	— \$	16,616,711
May 1 – 31, 2024	1,220 <sup>(2)</sup>	\$ 29.89 <sup>(2)</sup>	— \$	16,616,711
June 1 – 30, 2024	—	\$ —	— \$	16,616,711
<b>Total</b>	<b>5,080</b>	<b>\$ 28.71</b>	<b>— \$</b>	<b>16,616,711</b>

Period	Total Number of Common Shares Purchased	Average Price Paid per Common Share	Total Number of Common Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	Maximum Number (or Approximate Dollar Value) of Common Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
July 1 – 31, 2024	2,399 <sup>(2)(3)</sup>	\$ 29.58 <sup>(2)(3)</sup>	— \$	16,616,711
August 1 – 31, 2024	1,202 <sup>(3)</sup>	\$ 31.69 <sup>(3)</sup>	— \$	16,616,711
September 1 – 30, 2024	1,098 <sup>(2)</sup>	\$ 31.90 <sup>(2)</sup>	— \$	16,616,711
<b>Total</b>	<b>4,699</b>	<b>\$ 30.66</b>	<b>— \$</b>	<b>16,616,711</b>

- (1) On January 29, 2021, Peoples announced that on January 28, 2021, Peoples' Board of Directors authorized a share repurchase program authorizing Peoples to purchase up to an aggregate of \$30 million of Peoples' outstanding common shares. There were no common shares repurchased under the share repurchase program during the **second third** quarter of 2024.
- (2) Information reported includes **1,685 1,313** common shares and **1,220 1,098** common shares purchased in open market transactions during **April July** 2024 and **May September** 2024, respectively, by Peoples Bank under the Rabbi Trust Agreement. The Rabbi Trust Agreement establishes a rabbi trust that holds assets to provide funds for the payment of the benefits under the Peoples Bancorp Inc. Third Amended and Restated Deferred Compensation Plan for Directors of Peoples Bancorp Inc. and Subsidiaries.
- (3) Information reported includes **2,175 1,086 and 1,202** common shares withheld to satisfy income taxes associated with restricted common shares which were granted under the Peoples Bancorp Inc. Third Amended and Restated 2006 Equity Plan (now known as the Peoples Bancorp Inc. Fourth Amended and Restated 2006 Equity Plan) and vested during **April 2024, July and August 2024, respectively**.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

**76 79**

[Table of Contents](#)

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. OTHER INFORMATION

- (a) None.
- (b) Not applicable.
- (c) The following details During the activity three months ended September 30, 2024, no director of Peoples and no officer of Peoples (as defined in respect of Rule 16a-1(f) under the adoption, modification Exchange Act) adopted or termination of terminated a "Rule "Rule 10b5-1 trading arrangement" arrangement" or "non-Rule "non-Rule 10b5-1 trading arrangement" (as arrangement," as each term is defined in Item 408(a) of Regulation S-K) by any director or any officer (as defined in Rule 16a-1(f) under the Exchange Act) of Peoples during the three months ended June 30, 2024: S-K.

				Trading Arrangement			Total Common Shares to be
		Action	Date	Rule 10b5-1*		Sold	Expiration Date
Carol A. Schneeberger	Director	Adopt	May 22, 2024	X		12,000	September 8, 2024

77 80

[Table of Contents](#)



## ITEM 6. EXHIBITS

Exhibit Number	Description	Exhibit Location
<a href="#">2.1</a>	Agreement and Plan of Merger, dated as of March 26, 2021, by and between Peoples Bancorp Inc. and Premier Financial Bancorp, Inc.+	Included as Annex A to the preliminary joint proxy statement/prospectus which forms a part of the Registration Statement of Peoples Bancorp Inc. ("Peoples") on Form S-4/A accepted on May 28, 2021 with a filing date of June 1, 2021 (Registration No. 333-256040)
<a href="#">2.2</a>	Agreement and Plan of Merger, dated as of October 24, 2022, by and between Peoples Bancorp Inc. and Limestone Bancorp, Inc.+	Included as Annex A to the preliminary joint proxy statement/prospectus which forms a part of the Registration Statement of Peoples on Form S-4/A filed on January 6, 2023 (Registration No. 333-268728)
3.1(a)	Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on May 3, 1993) <sup>P</sup>	Incorporated herein by reference to Exhibit 3(a) to Peoples' Registration Statement on Form 8-B filed on July 20, 1993 (File No. 0-16772)
<a href="#">3.1(b)</a>	Certificate of Amendment to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on April 22, 1994)	Incorporated herein by reference to Exhibit 3.1(b) to Peoples' Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017 (File No. 0-16772) ("Peoples' September 30, 2017 Form 10-Q")
<a href="#">3.1(c)</a>	Certificate of Amendment to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on April 9, 1996)	Incorporated herein by reference to Exhibit 3.1(c) to Peoples' September 30, 2017 Form 10-Q
<a href="#">3.1(d)</a>	Certificate of Amendment to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on April 23, 2003)	Incorporated herein by reference to Exhibit 3(a) to Peoples' Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003 (File No. 0-16772) ("Peoples' March 31, 2003 Form 10-Q")
<a href="#">3.1(e)</a>	Certificate of Amendment by Shareholders to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on January 22, 2009)	Incorporated herein by reference to Exhibit 3.1 to Peoples' Current Report on Form 8-K dated and filed on January 23, 2009 (File No. 0-16772)
<a href="#">3.1(f)</a>	Certificate of Amendment by Directors to Articles filed with the Ohio Secretary of State on January 28, 2009, evidencing adoption of amendments by the Board of Directors of Peoples Bancorp Inc. to Article FOURTH of the Amended Articles of Incorporation to establish express terms of Fixed Rate Cumulative Perpetual Preferred Shares, Series A, each without par value, of Peoples Bancorp Inc.	Incorporated herein by reference to Exhibit 3.1 to Peoples' Current Report on Form 8-K dated and filed on February 2, 2009 (File No. 0-16772)
<a href="#">3.1(g)</a>	Certificate of Amendment by the Shareholders to the Amended Articles of Incorporation of Peoples Bancorp Inc. (as filed with the Ohio Secretary of State on July 28, 2021)	Incorporated herein by reference to Exhibit 3.1(g) to Peoples' Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (File No. 0-16772) ("Peoples' June 30, 2021 Form 10-Q")
<a href="#">3.1(h)</a>	Amended Articles of Incorporation of Peoples Bancorp Inc. (representing the Amended Articles of Incorporation in compiled form incorporating all amendments through the date of this Quarterly Report on Form 10-Q) [For purposes of SEC reporting compliance only--not filed with Ohio Secretary of State]	Incorporated herein by reference to Exhibit 3.1(h) to Peoples' June 30, 2021 Form 10-Q
3.2(a)	Code of Regulations of Peoples Bancorp Inc. <sup>P</sup>	Incorporated herein by reference to Exhibit 3(b) to Peoples' Registration Statement on Form 8-B filed on July 20, 1993 (File No. 0-16772)
<a href="#">3.2(b)</a>	Certified Resolutions Regarding Adoption of Amendments to Sections 1.03, 1.04, 1.05, 1.06, 1.08, 1.10, 2.03(C), 2.07, 2.08, 2.10 and 6.02 of the Code of Regulations of Peoples Bancorp Inc. by shareholders on April 10, 2003	Incorporated herein by reference to Exhibit 3(c) to Peoples' March 31, 2003 Form 10-Q

+Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of SEC Regulation S-K. A copy of any omitted schedules or exhibits will be furnished supplementally by Peoples Bancorp Inc. to the SEC, or the staff of the SEC, on a confidential basis upon request.

<sup>P</sup>Peoples Bancorp Inc. filed this exhibit with the SEC in paper form originally and this exhibit has not been filed with the SEC in electronic format.

[Table of Contents](#)

Exhibit Number	Description	Exhibit Location
<a href="#">3.2(c)</a>	Certificate regarding adoption of amendments to Sections 3.01, 3.03, 3.04, 3.05, 3.06, 3.07, 3.08 and 3.11 of the Code of Regulations of Peoples Bancorp Inc. by shareholders on April 8, 2004	Incorporated herein by reference to Exhibit 3(a) to Peoples' Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004 (File No. 0-16772)
<a href="#">3.2(d)</a>	Certificate regarding adoption of amendments to Sections 2.06, 2.07, 3.01 and 3.04 of Peoples Bancorp Inc.'s Code of Regulations by the shareholders on April 13, 2006	Incorporated herein by reference to Exhibit 3.1 to Peoples' Current Report on Form 8-K dated and filed on April 14, 2006 (File No. 0-16772)
<a href="#">3.2(e)</a>	Certificate regarding adoption of an amendment to Section 2.01 of Peoples Bancorp Inc.'s Code of Regulations by the shareholders on April 22, 2010	Incorporated herein by reference to Exhibit 3.2(e) to Peoples' Quarterly Report on Form 10-Q/A (Amendment No. 1) for the quarterly period ended June 30, 2010 (File No. 0-16772)
<a href="#">3.2(f)</a>	Certificate regarding Adoption of Amendment to Division (D) of Section 2.02 of the Code of Regulations of Peoples Bancorp Inc. by the Shareholders at the Annual Meeting of Shareholders on April 26, 2018	Incorporated herein by reference to Exhibit 3.1 to Peoples' Current Report on Form 8-K dated and filed on June 28, 2018 (File No. 0-16772) ("Peoples' June 28, 2018 Form 8-K")
<a href="#">3.2(g)</a>	Code of Regulations of Peoples Bancorp Inc. (This document represents the Code of Regulations of Peoples Bancorp Inc. in compiled form incorporating all amendments.)	Incorporated herein by reference to Exhibit 3.2 to Peoples' June 28, 2018 Form 8-K
<a href="#">10.1</a>	Change in Control Agreement dated August 1, 2024, between Tyler Wilcox and Peoples Bancorp Inc.	Incorporated herein by reference to Exhibit 10.1 to Peoples' Current Report on Form 8-K dated and filed on August 2, 2024 (File No. 0-16772)
<a href="#">31.1</a>	Rule 13a-14(a)/15d-14(a) Certifications [President and Chief Executive Officer]	Filed herewith
<a href="#">31.2</a>	Rule 13a-14(a)/15d-14(a) Certifications [Executive Vice President, Chief Financial Officer and Treasurer]	Filed herewith
<a href="#">32</a>	Section 1350 Certifications	Furnished herewith
101.INS	Inline XBRL Instance Document ##	Submitted electronically herewith #
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Submitted electronically herewith #
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Submitted electronically herewith #
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Submitted electronically herewith #
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Submitted electronically herewith #
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Submitted electronically herewith #
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)	Submitted electronically herewith

++Management Compensation Plan or Agreement

# Attached as Exhibit 101 to the Quarterly Report on Form 10-Q for the quarterly period ended **June 30, 2024** **September 30, 2024** of Peoples Bancorp Inc. are the following documents formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets at **June 30, 2024** **September 30, 2024** (Unaudited) and at December 31, 2023; (ii) Consolidated Statements of Operations (Unaudited) for the three months and the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023; (iii) Consolidated Statements of Comprehensive Income (Unaudited) for the three months and the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023; (iv) Consolidated Statements of Stockholders' Equity (Unaudited) for the three months and the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023; (v) Condensed Consolidated Statements of Cash Flows (Unaudited) for the three months and the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023; and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.

## The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.

7982

[Table of Contents](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PEOPLES BANCORP INC.

Date: August 1, October 31, 2024

By: /s/ TYLER WILCOX  
Tyler Wilcox  
President and Chief Executive Officer

Date: August 1, October 31, 2024

By: /s/ KATIE BAILEY  
Katie Bailey  
Executive Vice President,  
Chief Financial Officer and Treasurer

80 83

EXHIBIT 31.1

**CERTIFICATIONS**

I, Tyler Wilcox, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 September 30, 2024, of Peoples Bancorp Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, October 31, 2024

By:/s/ TYLER WILCOX

Tyler Wilcox  
President and Chief Executive Officer

EXHIBIT 31.2

**CERTIFICATIONS**

I, Katie Bailey, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 September 30, 2024, of Peoples Bancorp Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, October 31, 2024

By:/s/ KATIE BAILEY

Katie Bailey  
Executive Vice President,  
Chief Financial Officer and Treasurer

EXHIBIT 32

CERTIFICATION PURSUANT TO SECTION 1350  
OF CHAPTER 63 OF TITLE 18 OF THE UNITED STATES CODE\*

In connection with the Quarterly Report of Peoples Bancorp Inc. ("Peoples Bancorp") on Form 10-Q for the quarterly period ended **June 30, 2024** **September 30, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tyler Wilcox, President and Chief Executive Officer of Peoples Bancorp, and I, Katie Bailey, Executive Vice President, Chief Financial Officer and Treasurer of Peoples Bancorp, certify, pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition and results of operations of Peoples Bancorp and its subsidiaries.

Date: **August 1, October 31, 2024** By:/s/ TYLER WILCOX  
Tyler Wilcox  
President and Chief Executive Officer

Date: **August 1, October 31, 2024** By:/s/ KATIE BAILEY  
Katie Bailey  
Executive Vice President,  
Chief Financial Officer and Treasurer

\* This certification is being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.